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DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
INVESTMENT COMMITTEE

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FREEDOM OF INVESTMENT PROCESS:

Inventory of investment measures taken between 16 February 2010 and 15 September 2010

(Note by the Secretariat)

This note by the Secretariat on investment policy developments was considered under item 3) - Tour d'Horizon - of the agenda [DAF/INV/A(2010)5] of the Freedom of Investment (FOI) Roundtable 13, held on 5 October 2010. It has been revised in light of this discussion and of written comments received from governments that participate in the Roundtable.

The present report covers investment measures taken between 16 February 2010 and 15 September 2010 by participants in the FOI Roundtables. The report follows on from an earlier report submitted for consideration at the Freedom of Investment Roundtable 12 on 26 March 2010 that covered investment measures taken from 1 September 2009 to 15 February 2010 [DAF/INV/WD(2010)1/REV1].

Information presented in this report has also been used for two joint reports by WTO, OECD and UNCTAD, released on 14 June 2010 and 4 November 2010, respectively, in response to the G20 Leaders' request for public reporting on their adherence to their trade and investment policy commitments.

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TABLE OF CONTENTS

Inventory of Investment measures taken between 16 February 2010 and 15 September 2010 4

Summary of findings 4

(1) Investment-specific measures 6

(2) Investment measures related to national security 7

(3) Emergency and related measures with potential impacts on international investment 7

Reports on individual economies: Recent investment policy measures (16 February 2010 – 15 September 2010) 11

Argentina 11

Australia 11

Austria 12

Belgium 13

Brazil 14

Canada 14

Chile 15

P.R. China 15

Czech Republic 16

Denmark 16

Egypt 17

Estonia 17

Finland 17

France 18

Germany 21

Greece 23

Hungary 24

Iceland 25

India 26

Indonesia 28

Ireland 28

Israel 30

Italy 30

Japan 31

Korea 33

Latvia 33

Lithuania 34

Luxembourg 35

Malaysia 35

Mexico 36

Morocco 36

Netherlands 37

New Zealand 38

Norway 38

Peru 38

Poland 39

Portugal 39

Romania 40

Russian Federation 41

Saudi Arabia 41

Slovak Republic 42
Slovenia 43
South Africa 43
Spain 44
Sweden 45
Switzerland 45
Turkey 46
United Kingdom 46
United States 47
European Union 49

Annex: Methodology – Coverage, definitions and sources 51

INVENTORY OF INVESTMENT MEASURES TAKEN BETWEEN 16 FEBRUARY 2010 AND 15 SEPTEMBER 2010

1. By adhering to the OECD investment instruments, governments commit themselves to open, non-discriminatory policies toward foreign direct investment and other capital movements and have agreed to engage in peer reviews on their observance of these commitments. G20 Leaders made similar *ad hoc* commitments to standstill at their summits in Washington on 15 November 2008, in London on 2 April 2009, in Pittsburgh on 25 September 2009, and in Toronto on 27 June 2010 and requested that the WTO, OECD and UNCTAD produce reports on their "adherence to these undertakings". Participants at the Freedom of Investment Roundtable 12, meeting on 26 March 2010, asked the Secretariat to continue its monitoring of recent investment policy developments in support of FOI Roundtable discussions.

2. Under these mandates, the Secretariat of the OECD Investment Committee has prepared a series of reports that track investment policy developments.[1] The current report uses the same methodology[2] as these earlier reports. It covers the period from 16 February 2010 to 15 September 2010, thus seamlessly continuing the monitoring where the reporting period of the previous report, DAF/INV/WD(2010)1/REV1, ends. The report covers all 50 economies that participate in the Freedom of Investment process and provides descriptions of recent investment or investment-related actions. These actions are of three types: 'investment measures'; 'investment measures relating to national security' and 'emergency and related measures with potential impacts on international investment'.

Summary of findings

3. During the 16 February 2010 – 15 September 2010 reporting period, 40 of the 50 economies covered by this report took some sort of investment policy action (investment-specific measures, investment measures relating to national security, emergency and related measures with potential impacts on international investment).[3] Emergency measures with potential impacts on international investment accounted for most of the measures (Table 1).

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[1] A first report for consideration by Ministers at the June 2009 Council Meeting at Ministerial Level ("Status Report: Inventory of Investment Measures taken between 15 November 2008 and 15 June 2009", C/MIN(2009)12.), was followed by reports to the Freedom of Investment Roundtables 11 and 12 that were subsequently published as "Inventory of Investment Measures taken between 15 November 2008 and 31 August 2009", originally DAF/INV/WD(2009)13/REV1 and "Inventory of Investment Measures Taken between 1 September 2009 and 14 February 2010", originally DAF/INV/WD(2010)1/REV1. OECD also developed, jointly with WTO and UNCTAD, three public reports to G20 Leaders: 1) "Report on G20 Trade and Investment Measures" was released prior to the G20 Summit in Pittsburgh on 24-25 September 2009. 2) "Report on G20 Trade and Investment Measures" was released on 8 March 2010; 3) "Report on G20 Trade and Investment Measures (November 2009 to Mid-May 2010)" was released prior to the G20 Summit in Toronto on 14 June 2010.

[2] More detailed information on the methodology is available in the section "Methodology – Coverage, definitions and sources" on p. 77 in the present document.

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

Table 1. Investment and investment-related measures taken or implemented between 16 February 2010 and 15 September 2010

	Investment-specific measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment*
Argentina			
Australia	•	•	•
Austria			•
Belgium			•
Brazil	•		
Canada			•
Chile			
P.R. China	•		•
Czech Republic			•
Denmark			•
Egypt			
Estonia			•
Finland			•
France			•
Germany			•
Greece			•
Hungary			•
Iceland	•		•
India	•		
Indonesia	•		
Ireland			•
Israel			
Italy			•
Japan			•
Korea	•		•
Latvia			•
Lithuania			•
Luxembourg			•
Malaysia	•		•
Mexico			
Morocco			
Netherlands			•
New Zealand			•
Norway			•
Peru			
Poland			•
Portugal			•
Romania			•
Russian Federation			•
Saudi Arabia	•		
Slovak Republic			•
Slovenia			•
South Africa	•		•
Spain			•
Sweden			•
Switzerland			
Turkey			
United Kingdom			•
United States			•
European Union			

* Emergency and related measures include ongoing implementation of existing measures and introduction of new measures that were implemented at some point in the reporting period.

(1) Investment-specific measures

4. Ten countries took investment-specific measures (those not designed to address national security or emergency concerns) during the reporting period. Most of these aimed to enhance openness and transparency for investors. Measures include the following:

- Reforms of Australia's foreign investment screening framework came into effect; the new rules clarify that the screening mechanism covers all forms of foreign investment regardless of their structure. Australia also tightened the rules applicable to foreign investment in residential real estate.
- Brazil reinstated restrictions on land-ownership for foreigners by modifying the way a law dating back to 1971 is to be interpreted. The restrictions apply to new acquisitions of rural land by Brazilian companies majority owned by foreigners and by foreigners with permanent residency in Brazil.
- China issued a decree that will allow foreign investors to use the partnership structure for investments in China; increased the threshold that triggers central level approval for foreign-invested projects in the "encouraged" or "permitted" categories and extended existing business permits of foreign-invested companies for retail distribution to online sales over the internet.
- India sought to make its foreign investment regulations more accessible to investors by consolidating regulations relating to FDI and cross-border capital flows. The country increased the thresholds that trigger certain approval procedures for inward investment. India eased the administrative procedures for the participation of Indian companies in a consortium with international operators to construct and maintain submarine cables on a co-ownership basis. India introduced a bill into parliament that would allow foreign institutions to provide higher education services in India. India introduced minimum prices for certain sales of shares from residents to non-residents and price caps for transactions in the opposite direction. India prohibited FDI in manufacturing of cigars, cigarettes, cigarillos as well as tobacco and tobacco substitutes. India issued two discussion papers to solicit views on possible amendments of India's regulations on foreign investment in the defence sector and in multi-brand retail trading.
- Indonesia issued a regulation that specifies the scope of the obligation for foreign investors to divest mining concessions in Indonesia. It requires that within five years of commencement of production, 20% of the foreign capital must be sold to local parties, including central, provincial or regional governments, regency, state-owned companies, regional-owned companies, or private national entities. Indonesia introduced measures to slow down short-term cross-border capital flows, introducing a one-month minimum holding period on a Central Bank debt instrument as well as regulations on banks' net foreign exchange positions.
- Korea announced macro-prudential measures to mitigate volatility of capital flows, including: limits on banks' forward exchange positions of banks; use-limitations for foreign currency loans granted to residents; and tighter regulations on banks' FX liquidity ratio and mid- to long-term financing ratio in foreign loan portfolios.
- Malaysia awarded new commercial banking licenses to foreign-owned banking institutions. Malaysia liberalised foreign exchange; the country allowed residents to settle international trade in Malaysian Ringgit; abolished limits on cross-border foreign currency inter-company borrowings; and abolished limits on anticipatory hedging for current account transactions with licensed onshore banks.
- Saudi Arabia allowed foreign investors to invest in an exchange-traded fund of Saudi Arabian shares.
- South Africa allowed banks registered in the country to acquire direct and indirect foreign exposure of up to 25% of their total liabilities.

5. One country, Iceland, took a measure related to international capital controls during the reporting period: Iceland clarified the application of the capital controls that it had introduced on 28 November 2008 and March 2009 and reduce the maximum amount for which foreign currency may be purchased for travel.

6. Thus, this report finds, like preceding reports to the Freedom of Investment Roundtables, that most of the investment specific measures point towards liberalisation of international capital flows or increased regulatory clarity. However, a few countries introduced restrictive measures, often in a broader context of liberalising other aspects of investment policy.

(2) Investment measures related to national security

7. One country, announced an investment measure related to national security: Australia introduced a new administrative procedure for the approval of certain foreign investment proposals in mining on the territory of a large weapon testing range.

(3) Emergency and related measures with potential impacts on international investment

8. Emergency measures with potential impacts on international investment continued to be the most frequent investment-related measure taken by governments covered in the present inventory (Table 1), but the rate of introduction slowed and the size of the programmes shrank. Some governments have begun to unwind positions – assets or liabilities – acquired as part of their crisis response programmes. These actions took several forms: paying down of loans or to the relinquishing of state-guarantees by companies participating in the programmes or sales by governments of their stakes in such companies. However, numerous emergency schemes that were introduced since late 2008 remain in place and may influence competitive conditions. During the reporting period, 36 governments introduced or continued to implement emergency measures. The sheer size of these measures creates a strong presumption that they influence worldwide capital flows, especially in globalised sectors such as automobiles and finance.

9. Table 2 summarises the emergency measures in financial and non-financial sectors in the economies covered by this report. The summary shows varying patterns in the evolution of support schemes in different economies and sectors:

- *Introduction of new emergency schemes:* Six countries introduced new temporary aid schemes, both for financial and non-financial sectors. In the non-financial sector, many of the new support schemes target sectors that already benefit from long standing support programmes, notably agriculture and heavy industries.
- *Many schemes remained open to new entrants:* Many schemes, especially broad support schemes for the real economy, remain open to new entrants during the reporting period. Altogether, 36 governments maintained their programmes open for companies to receive additional support.
- *Some schemes were closed to the entry of new firms:* Nine governments closed one or more support schemes. Most of the closures were in the financial sector. Some of these schemes, though available, had not actually been used to extend support to companies.

10. Table 2 also shows that even where schemes have been closed to new entrants, countries continue to hold assets and liabilities left as a legacy of emergency measures. These legacy assets and liabilities, left over from earlier phases of the crisis, continue to influence competitive conditions and restrict structural adjustment processes, including those that operate through international investment.

11. The legacy of emergency measures is large. Total outstanding public commitments under emergency programmes – equity, loans and guarantees – on 15 September 2010 exceed USD 2 trillion.[4] In the financial sector, public expenditure commitments for certain individual companies represented

[4] The US has abolished a fixed cap on commitments under one of its emergency programmes; this decision is not taken into account for the calculation of the estimate.

hundreds of billions of USD, and individual companies in non-financial sectors have received advantages worth several billion USD each. In the financial sector as of 15 September 2010, only about a fifth of the financial firms that had benefitted from crisis-related support had reimbursed loans, repurchased equity or relinquished public guarantees at the end of the reporting period. Several hundred financial firms thus continue to benefit from such public support, and in non-financial sectors, at least 20,000 individual firms continue to benefit from emergency support programmes, and governments estimate that the total number of firms that receive aid may even reach 50,000 individual companies.

12. In a similar vein, the variations in the evolution of support schemes in the financial sectors of different economies are noteworthy. Figure 1 shows the time profile of the availability of support schemes in the financial sector. Taking as it starting point the beginning of OECD monitoring of investment-related emergency measures in mid-November 2010, it displays, in separate bars for each country, the availability for new entrants of guarantee and recapitalisation schemes. The figure shows the following

- Some countries have never had an emergency programme for the financial sector of the type covered by this monitoring exercise (Argentina, Chile, PR China, Czech Republic, Egypt, Malaysia, Mexico, Morocco, Peru, Romania, Russia, Saudi Arabia and Turkey).

- Four countries have dismantled all emergency programmes and have no outstanding legacy assets or liabilities (Canada, India, Slovak Republic and Switzerland).

- Ten countries have dismantled guarantee or capital injection programmes, but still have outstanding legacy assets or liabilities left over from these programmes (Australia, Belgium, Denmark, Ireland, Italy, Latvia, New Zealand, Norway, Sweden and the United Kingdom).

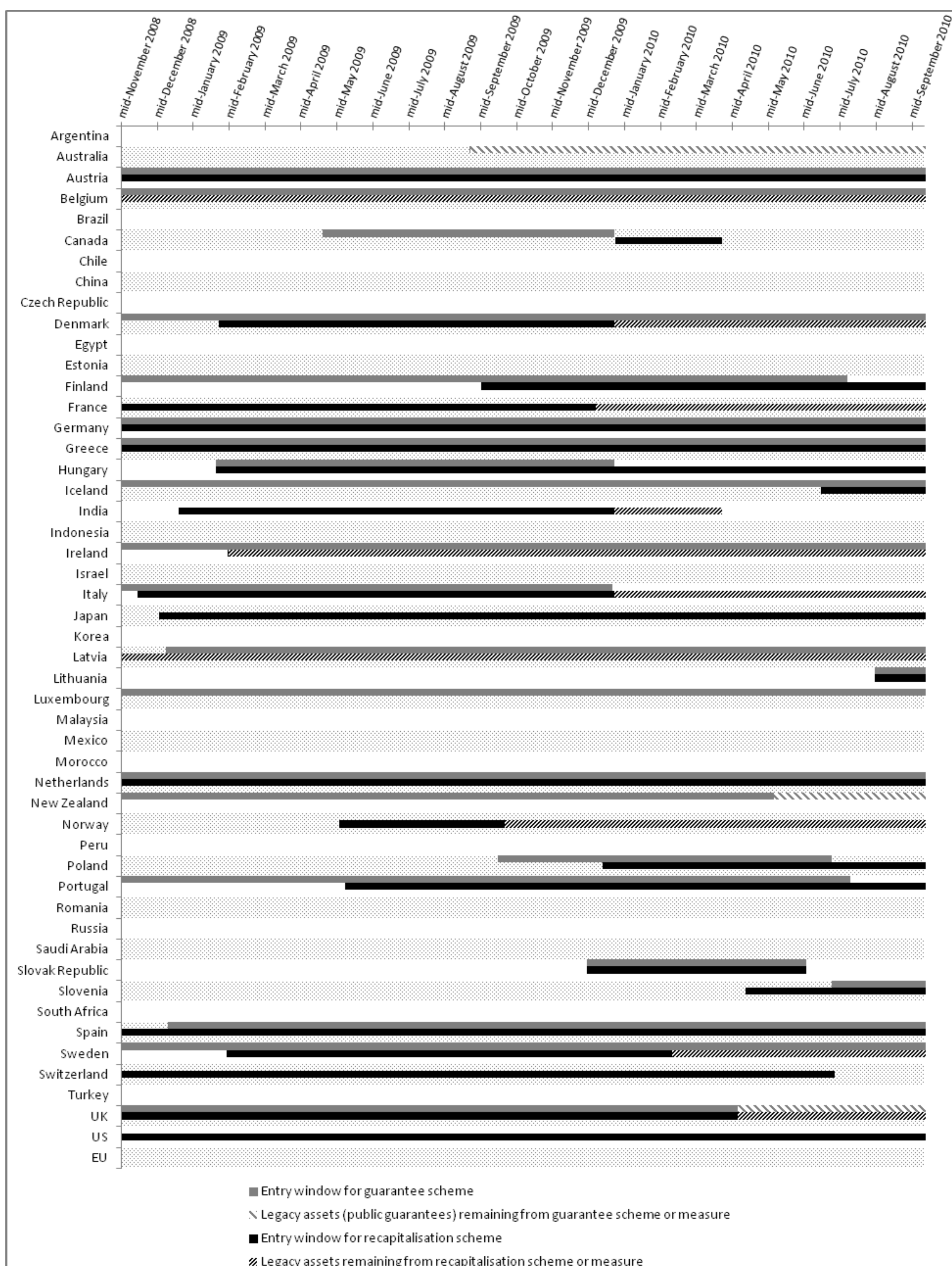
- Nineteen countries have long standing guarantee or capital injection programmes that are still open (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Japan, Latvia, Luxembourg, Netherlands, Poland, Portugal, Spain, Sweden and the United States). Many of these countries have had such programmes in place now for the entire two year period covered by this monitoring process.

13. The potential impact on competitive conditions of legacy assets and liabilities that governments have acquired in the course of emergency programmes is likely to persist for the years to come. In many schemes, maturities of loans and durations of guarantees have been set to end in the medium term only, and market conditions might deter governments from unwinding large equity positions they have taken in some companies.

Table 2. Status of emergency measures in financial and non-financial sectors

	Financial sector				Non-financial sectors			
	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency scheme continued to be open for new entrants on 15 September 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 15 September 2010	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency scheme continued to be open for new entrants on 15 September 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 15 September 2010
Argentina								
Australia		•		•		•		•
Austria		•		•		•	•	•
Belgium				•		•		•
Brazil								
Canada	•			•		•		•
Chile						•		•
P.R. China								
Czech Republic						•		•
Denmark		•		•				
Egypt								
Estonia						•		•
Finland	•	•				•	•	•
France				•		•		•
Germany		•		•		•		•
Greece	•	•		•		•		•
Hungary		•		•		•		•
Iceland	•	•	•	•				
India								
Indonesia								
Ireland	•	•		•		•		•
Israel								
Italy				•		•		•
Japan	•	•		•		•		•
Korea		•				•		•
Latvia		•		•		•		•
Lithuania			•			•		•
Luxembourg				•		•		•
Malaysia						•		•
Mexico								
Morocco								
Netherlands		•		•		•		•
New Zealand	•			•				
Norway				•		•		•
Peru								
Poland		•				•		•
Portugal		•		•		•		•
Romania						•		•
Russian Federation						•		•
Saudi Arabia								
Slovak Republic	•			•		•		•
Slovenia		•		•		•		•
South Africa						•		•
Spain		•		•		•	•	•
Sweden	•	•		•				•
Switzerland								
Turkey								
United Kingdom	•			•		•	•	•
United States		•		•	•	•		•
European Union								

Figure 1. Time profile of financial sector guarantee and recapitalisation schemes



Reports on individual economies:
Recent investment policy measures (16 February 2010 - 15 September 2010)

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Australia			
Investment policy measures	On 25 February 2010, regulations supporting the Foreign Acquisitions and Takeovers Amendment Act 2010 were given Royal Assent. The Amendment Act clarifies the operation of the *Foreign Acquisitions and Takeovers Act 1975* to ensure that it applies equally to all foreign investments irrespective of the way they are structured. The amendments are intended to capture complex investment structures which may provide avenues of control beyond that provided through traditional shares or voting power. The regulations ensure that Australian companies are not inadvertently treated as foreign companies under the compulsory notification provisions of the 1975 Act. The amendments and the supporting regulations apply retrospectively from the date of the Treasurer's announcement (12 February 2009).	25 February 2010	Foreign Acquisitions and Takeovers Amendment Regulations 2010 (No. 1).
	On 26 May 2010, changes to the Australian Government’s foreign investment policy on residential real estate came into effect. The new rules, which were first announced on 24 April 2010 and operate from that date: require temporary residents to notify the Government and receive approval before buying residential real estate in Australia, prevent foreign non-residents from investing in Australian real estate if that investment does not add to the housing stock; ensure that investments by temporary residents in established properties are only for their use whilst they live in Australia; and if the investment concerns vacant land, foreigners are required to build within 24 months or resell the property.	26 May 2010	Foreign Acquisitions and Takeovers Amendment Regulations 2010 (No. 2); "*Government Tightens Foreign Investment Rules for Residential Housing*", Treasurer media release No. 074 of 2010, 24 April 2010.
Investment measures relating to national security	On 17 May 2010, the Minister of Defence announced that any prospective mining investment proposals in the Woomera Prohibited Area, a weapon testing range, where foreign involvement is a factor, and requires Foreign Investment Review Board (FIRB) approval, applicants should first seek assessment from the Defence Department before making any application to the FIRB.	17 May 2010	“*Mining Interests in the Woomera Prohibited Area Government Statement*”, Minister of Defence press release, 17 May 2010.
Emergency and related measures with potential impacts on international investment	On 30 June 2010, Australia’s car dealership financing special purpose vehicle (OzCar) ceased to provide financing as scheduled and is being wound up. OzCar had been activated on 1 September 2009 and provided, with funding from the four major Australian banks, temporary liquidity support to eligible participating car dealership financiers. The Government supported the SPV by guaranteeing the monthly interest payments and the repayment of principal on the final maturity date, 1 January 2012.	Until 30 June 2010.	"Activation of Car Dealership Financing Special Purpose Vehicle ('Ozcar')", Treasurer media release No. 94, 28 August 2009; "Car Dealer Financing: Establishment of a Special Purpose Vehicle", Treasurer media release No. 136, 5 December 2008; and "Treasurer Releases Update on Car Dealer Financing and the Special Purpose Vehicle",

	Description of Measure	Date	Source
			Treasurer media release No. 145, 19 December 2008; "Car Dealer Financing Special Purpose Vehicle: Supporting Legislation and Ford Credit", Treasurer media release No. 71, 13 May 2009; and "Car Dealership Financing Guarantee Appropriation Act 2009".
Austria			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Austria continued to implement its bank support scheme and prolonged it for a third time until 31 December 2010. The scheme was initially passed into law in October 2008. It authorises the Minister of Finance to provide banks and domestic insurance companies with credit and credit guarantees, and to acquire parts of such institutions. Domestic insurance companies include foreign controlled institutions established in Austria. The law also authorises the Minister of Finance, in accord with the Chancellor, to expropriate the owners of such institutions if this is necessary to prevent serious damage to the Austrian economy. Up to EUR 80 billion are available for these measures, down from the initial cap at EUR 90 billion. According to Austria's report to the European Commission on the implementation of the measure, several Austrian banks have benefited from the scheme.	Ongoing	European Commission decisions N557/2008, N352/2009, N663/2009 and N241/2010. Financial Stability Act (*Finanzmarktstabilitätsgesetz*, FinStaG), Federal Law Gazette I No. 136 of 26 October 2008.
	Austria provided BAWAG P.S.K., one of the largest banking groups in Austria, a second capital injection of EUR 550 million. This follows an earlier capital injection of EUR 550 million plus a EUR 400 million guarantee, both provided in December 2009. The guarantee was withdrawn on 22 June 2010. Austria submitted a new restructuring plan for the bank in March 2010 that the European Commission accepted on 30 June 2010. Under the restructuring plan, BAWAG P.S.K. must honour several commitments, such as divestments, a temporary dividend and acquisition ban, limitations regarding investments in certain business fields and a premature redemption of certain P.S.K. liabilities covered by a State guarantee.	30 June 2010	European Commission decisions N640/2009 and N261/2010.
	Austria continued to implement two framework schemes to support enterprises:		
	– A scheme that allows the Federal Government or lower levels of Government to provide small amounts of aid—"*Kleinbeihilfen*"—of up to EUR 500 000 per undertaking in 2009 and 2010 combined. The aid can be granted in the form of direct grants, interest rate subsidies, subsidised public loans, and public guarantees. An amendment in mid-2009 added the possibility to grant credit guarantees to large enterprises to the scheme and increased the gross budget by EUR 10 billion, up from EUR 150 million. At the time of the introduction of the scheme, Austria estimated that more than 1,000 companies would benefit from the scheme. The scheme is scheduled to expire on 31 December 2010.	Ongoing	European Commission decision N47a/2009. European Commission decision N317/2009. At national level, the measure is based on the *Unternehmensliquiditätsstärkungsgesetz* (law to enhance the liquidity of enterprises) that entered into force on 25 August 2009.
	– A risk capital scheme that consists of a temporary enhancement of the existing risk capital investment scheme "*Eigenkapitalgarantien*". The modification lowers the minimum proportion of private risk capital and increases the threshold of investment eligible for the	Ongoing	The risk capital scheme was established in 2007 and was initially approved by the Commission on 18 October 2007. European Commission decision N47d/2009.

	Description of Measure	Date	Source
	programme to EUR 2.5 million per year per SME. The programme was expected to amount to a total of EUR 25 million until the end of 2010 when the temporary enhancement will expire.		
	In addition to these existing schemes, Austria introduced a new framework scheme for small amounts of compatible aid for the agriculture sector ("*Österreichregelung landwirtschaftliche Kleinbeihilfen*") on 19 April 2010. Under the scheme, undertakings active in the primary production of agricultural products may obtain direct grants, interest rate subsidies, loans with an aid element or guarantees from authorities at federal-, regional or local level. The aid volume available under this scheme, which expires on 31 December 2010, is estimated at EUR 1.2 million. The Austrian authorities estimate the number of beneficiaries to be over 1000 undertakings.	19 April 2010	European Commission decision N118/2010.
Belgium			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 26 February 2010, the restructuring plan that the governments of Belgium, France and Luxembourg had developed for Dexia received the approval of the European Commission. The bank, held to almost 75% directly or indirectly by the France and Belgium following recapitalisation measures in late 2008, had received capital injections and benefitted from a guarantee of its liabilities up to a maximum of EUR 150 billion granted by the governments of Belgium, France and Luxembourg. This guarantee had been reduced to EUR 100 billion since 1 November 2009, following the rejection of a first restructuring plan by the European Commission. This guarantee adds to a guarantee given by the Belgian and French governments in respect of a portfolio of impaired assets held by FSA, then a subsidiary of Dexia, for a nominal amount of USD 16.6 billion at 30 January 2009. The restructuring plan foresees that Dexia: focus on its core banking activities in its traditional markets Belgium, France and Luxembourg; reduce its public-sector lending activity outside these markets and its bond portfolio; continue to reduce its market activities; and will cease proprietary trading. Dexia is also prohibited from making acquisitions of financial institutions until end of 2011 and must cut its balance sheet by about 35% by 2014. Dexia continues to benefit from guarantees provided by Belgium, France and Luxembourg; on 1 September 2010, these guarantees amounted to over EUR 48 billion.	26 February 2010	European Commission decisions NN49/2008, N583/2009 and C9/2009 as well as European Commission press release IP/10/201, 26 February 2010. "*Guarantee Agreement between the Belgian State, the French State, the Luxembourg State and Dexia SA/NV*", undated note made available by the Central bank of Belgium. "*Guarantee Agreement between the Belgian State, the French State, the Luxembourg State and Dexia SA/NV*", undated archive of the total outstanding amount of Dexia's "Guaranteed Liabilities". "*Positive outcome from European Commission negotiations*", Dexia press release, 6 February 2010.
	Belgium continued to implement, in the region Flanders, a framework scheme for aid in the form of subsidised guarantees for investment and working capital loans concluded by 31 December 2010. The scheme initially entered into effect on 20 March 2009 and is operated by the *Waarborgfonds*, a guarantee fund of Flanders. The fund can grant guarantees of a total volume of up to EUR 1.5 billion to SMEs and large undertakings that have economic activities in the Flemish region.	Ongoing	European Commission decision N117/2009.
	Belgium also continued to implement a temporary aid scheme to support access to finance for the agriculture sector in Flanders. The scheme, which came into effect on 10 February 2010, allows the provision of interest rate subsidies and guarantees to small and medium-sized undertakings active in the primary production of agricultural products. Aid of up to EUR 15,000 per undertaking can be granted until 31 December 2010. With a total budget of EUR 2.73 million, the scheme will benefit	Ongoing	European Commission decision N34/2010.

	Description of Measure	Date	Source
	an estimated 500 to 1000 undertakings.		
Brazil			
Investment policy measures	On 23 August 2010 Brazil reinstated restrictions on rural land-ownership for foreigners. The measure results from the publication of a Presidential Order, approving a Government Legal Opinion (Parecer CGU/AGU No. 01/2008) on the application of Law 5709 of 7 October 1971 to foreign owned Brazilian companies. The reinterpreted law establishes that, on rural land-ownership, Brazilian companies which are majority owned by foreigners are subject to the legal regime applicable to foreign companies. The Law permits resident foreigners to acquire up to three 'rural modules' modules without seeking approval and limits foreign acquisition to fifty modules. Acquisitions of between three and fifty modules require approval by the Ministry of Agricultural Development. Foreign companies can only acquire rural land for agricultural, cattle-raising, industrial or development projects. No more than 25% of the rural areas of any municipality may be owned by foreigners, and no more than 10% may be owned by foreigners of the same nationality. The policy change does not affect transactions made by Brazilian companies controlled by foreigners closed before its publication on 23 August 2010.	23 August 2010	"*Presidential Order approving Parecer CGU/AGU No. 01/2008-RVJ*", 23 August 2010; "Law 5709, 7 October 1971"
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Canada			
Investment policy measures	None during reporting period		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Canada continued to implement the Economic Action Plan, the country's framework for response measures to the crisis, which was initially announced on 27 January 2009. The plan contains support to financial and non-financial sectors. While the most of the support programmes for the financial sector, provided under the CAD 200 billion Extraordinary Financing Framework was phased out on 31 March 2010, Canada continues to hold assets and liabilities that result from the implementation of the components of this programme.		Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 193, 4 March 2010.
	– The Insured Mortgage Purchase Program, which was designed to allow for the purchase of qualifying insured mortgages from Canadian financial institutions, expired on 31 March 2010. Under the programme, participating financial institutions were able to access stable long-term government financing in exchange for high-quality mortgage assets. Over CAD 60 billion have been provided to banks and other lenders under the programme.	Until 31 March 2010	Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 265, 4 March 2010.
	– The Canadian Secured Credit Facility, which was designed to support the financing of vehicles and equipment and to stimulate private lending to these	Until 31 March 2010	Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and

	Description of Measure	Date	Source
	sectors, also expired on 31 March 2010. Under the facility that was operated by the Business Development Bank of Canada (BDC) the Government had committed to purchase up to CAD 12 billion of newly issued term asset-backed securities backed by loans and leases on vehicles and equipment and dealer floor plan loans.		Growth", p. 266, 4 March 2010.
	– Canada continued to implement the Business Credit Availability Program that seeks to improve access to financing for Canadian businesses. The programme, which is operated by Export Development Canada (EDC) and the Business Development Bank of Canada (BDC), offers direct lending and other types of support and facilitation at market rates to businesses with viable business models whose access to financing would otherwise be restricted. By 31 January 2010, almost 9,000 companies had received support of a gross volume of almost CAD 5 billion under the programme.	Ongoing	Business Credit Availability Program website, Department of Finance.
	– Canada continued to implement the support to companies in various industry sectors including access to financing for firms operating in forestry, agriculture, as well as to SMEs.	Ongoing	"Leading the Way on Jobs and Growth", Fifth report to Canadians on Canada's Economic Action Plan, 4 March 2010, p. 251.
	Canada and Ontario maintained holdings in Chrysler (2%) and General Motors (11.7%), arising from earlier loans and debtor-in-possession financing of CAD 14.58 billion combined. The governments of Canada and Ontario also continue to hold USD 403 million preferred shares in New GM.	Ongoing	"Leading the Way on Jobs and Growth", Fifth report to Canadians on Canada's Economic Action Plan, 4 March 2010, p. 248.
Chile			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
P.R. China			
Investment policy measures	On 1 March 2010, the Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China entered into force. The decree, which was promulgated on 25 November 2009, allows foreign investors to use the partnership structure for investments in China. The Decree of the State Administration for Industry and Commerce No. 47, promulgated on 29 January 2010 contains administrative provisions on the registration of foreign-funded partnership enterprises.	1 March 2010	Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China; Decree of the State Administration for Industry and Commerce No. 47, 29 January 2010.
	On 10 June 2010, the Ministry of Commerce released a circular that increases the threshold that triggers central level approval for foreign-invested projects in the "encouraged" or "permitted" categories to USD 300 million, up from USD 100 million. The Circular implements a policy change announced in the Opinions on Foreign Investment that the State Council had released on 6 April 2010 and that reaffirms China's policy to encourage foreign investment. Other elements of the opinions are expected to guide more specific regulatory action in the future, including a revision of the *Catalogue for the Guidance of Foreign Investment Industries* with a view to expand the domains open to foreign investment. A *Plan for*	10 June 2010	*Circular of the Ministry of Commerce on Delegating Approval Authority over Foreign Investment to Local Counterparts*, No. 209/2010; *Several Opinions of the State Council on Further Utilizing Foreign Capital*, Guo Fa [2010] No. 9; *Plan for the Division of Labor of Departments on Implementing Several Opinions of the State Council on Further Handling Well the Utilization of Foreign Investment*,

	Description of Measure	Date	Source
	the Division of Labor of Departments on Implementing Several Opinions of the State Council on Further Handling Well the Utilization of Foreign Investment, published on 18 August 2010 specifies the internal responsibilities and further steps in the implementation of the opinions.		18 August 2010.
	On 19 August 2010, the Ministry of Commerce released a circular that extends existing business permits of foreign-invested companies for retail distribution to online sales over the internet.	19 August 2010	*Circular of the General Office of the Ministry of Commerce on Issues Concerning Examination and Approval of Foreign-Invested Projects of Selling Goods via the Internet and Automat*, No. 272/2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Czech Republic			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Czech Republic continued to implement two temporary framework schemes for state support to companies that it had introduced in mid-2009. These schemes, which are implemented in a decentralised way by authorities at national, regional, and local levels, include:		
	– A temporary scheme, which allows granting aid as direct grants, reimbursable grants, interest rate subsidies, subsidised public loans and public guarantees of up to EUR 500,000 per company over the period 2009-2010. The scheme, in effect since 7 May 2009 and set to expire on 31 December 2010, is estimated to benefit over 1000 firms, both SMEs and large firms.	Ongoing	European Commission decision N236/2009.
	– The second temporary scheme, in effect since 6 May 2009, allows Czech authorities to grant aid in the form of reduced interest rates on loans. Reduced interest rates may be applied for interest payments due before 31 December 2012. The Czech authorities estimate the total budget of this scheme at EUR 97 million.	Ongoing	European Commission decision N237/2009.
Denmark			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Denmark continued to implement its guarantee scheme for the financial sector and prolonged the window for issuing debt instruments under the scheme until 31 December 2010. Under the scheme, which initially came into force on 11 October 2008, credit institutions may apply for guarantees for newly issued short- and medium-term loans. The overall budget of the scheme is capped at DKK 600 billion. At the end of 2009, five institutions had effectively used the scheme by issuing guaranteed bonds	Ongoing	European Commission decisions N31a/2009, N415/2009, N20/2010 and N257/2010.

	Description of Measure	Date	Source
	for a total amount of approximately DKK 54 billion.		
	While Denmark has discontinued its recapitalisation framework scheme on 31 December 2009, financial firms that have received capital injections under the scheme retain this capital beyond that date. The scheme does not allow beneficiaries to reimburse the capital before the beginning of the fourth year. The scheme, which initially came into force on 4 February 2009 and was prolonged twice in July and December 2009, established a mechanism for government capital injections or credit guarantees to increase solvency of domestic banks, mortgage credit institutions and Danish Ship Finance A/S. The scheme was administered by the Ministry of Economic and Business Affairs. The overall volume of capital injections under this scheme was initially estimated at approximately DKK 100 billion. Around 50 financial institutions have benefitted from the scheme.		European Commission decisions N628/2009, N415/2009, NN46/2009 and N31a/2009.
Egypt			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Estonia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Estonia continued to implement its temporary framework scheme for the non-financial sector. The scheme initially came into effect on 13 July 2009. Under the scheme, authorities may grant aid of up to EUR 500,000 per company in the period 2009-2010 as grants, loans or guarantees. Both large firms and SMEs are eligible for aid under the scheme, and the Estonian government estimated that more than 1,000 firms will benefit from the scheme and that its budget will not exceed EEK 3.198 billion.	Ongoing	European Commission decision N387/2009.
Finland			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Finland discontinued its guarantee scheme for banks as scheduled on 30 June 2010. Under the scheme, which initially entered into effect in November 2008 and was prolonged and slightly altered later, Finland could temporarily provide a State guarantee for new medium-term debts (maturity between 1 and 5 years) of Finnish deposit and mortgage banks, including the Finnish subsidiaries of foreign financial institutions. The overall	Until 30 June 2010	European Commission decisions, N567/2008, N44/2009, N239/2009, and N674/2009. Domestically, the scheme was based on the Act on State Lending and State Guarantees (449/1988).

	Description of Measure	Date	Source
	budget of the scheme was EUR 17 billion, down from EUR 50 billion at the inception of the scheme. Between May and December 2009, no guarantees were provided under the scheme.		
	Finland continued to implement its recapitalisation scheme for deposit banks and extended the period until which debt instruments may be issued until 31 October 2010. The scheme initially came into effect on 11 September 2009. All Finnish deposit banks including subsidiaries of foreign banks are eligible to benefit from the measure. Under the scheme, the State can support deposit banks' capital by subscribing to a subordinated, non-transferable loan of up to 25 percent of the regulatory required amount of own funds. The total capital available for the scheme is EUR 4 billion. As of March 2010, no recapitalization operations had been requested or carried out.	Ongoing	European Commission decisions N329/2009 and N110/2010.
	Finland continued to implement two temporary framework schemes for the non-financial sectors to support companies' access to liquidity and credit. The first measure, a framework scheme for small amounts of aid—up to a total volume of EUR 500 000 per company in 2009 and 2010 combined—allows the Finnish authorities at national, regional or local levels to grant SMEs as well as large firms direct grants, loans and interest rate subsidies, guarantees, or risk capital and capital injections. The initially estimated overall volume of the scheme was EUR 200-300 million. The second temporary aid scheme allows the Finnish authorities to provide subsidised guarantees for investment and working capital loans concluded by 31 December 2010.		European Commission decision N224/2009.
	In addition to the existing schemes, Finland established an additional temporary scheme that came into effect on 1 August 2010. Under the scheme that seeks to support access to finance for primary agricultural producers, farmers engaged in the primary production of agricultural or horticultural products can receive direct grants of up to EUR 15000 per undertaking between 1 August 2010 and 31 December 2010. The Finnish authorities estimate the number of beneficiaries to be over 1000 undertakings and have allocated a budget of EUR 22 million for this scheme.	1 August 2010	European Commission Decision N141/2010.
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	France continued to hold equity of one French bank, BCPE, which participated in France's recapitalisation scheme. Under the scheme, the Société de prise de participation de l'État (SPPE), a wholly state-owned investment company that bought securities from eligible banks. BCPE has reimbursed parts of the holdings in March and August 2010. Six French banks had initially participated in the scheme until late 2009, when five of the banks reimbursed the capital. The scheme includes obligations for beneficiary banks with regard to financing the real economy the observance of which are monitored locally and nationally. A mediation system is also planned to ensure compliance with the obligations. The programme had a budget ceiling of EUR 21 billion.		European Commission decisions N613/2008, N29/2009, N164/2009 and N249/2009; "*Faits marquants BPCE : juillet 2009- août 2010*", BPCE press information, undated.
	France continued its support to the Dexia Group, jointly granted with Belgium and Luxembourg, through three main measures:		European Commission decisions NN49/2008, N583/2009 and C9/2009;
	– As a result of a capital injection undertaken in September 2008, France directly holds equity of Dexia		"*Guarantee Agreement between the Belgian State, the French State, the*

Description of Measure	Date	Source
for a nominal amount of EUR 1 billion while the CDC holds EUR 1.7 billion; – France continued to guarantee 36.5% of approximately EUR 44 billion debt of Dexia (Belgium and Luxembourg guarantee the remaining 60.5% and 3% of Dexia's debt, respectively; the aggregate commitment by the three States may not exceed a maximum amount of EUR 100 billion); debt issued since 30 June 2010 is no longer covered by a State guarantee; – France guarantees, jointly with Belgium, a sale option concluded by Dexia on a portfolio of impaired assets amounting to USD 17 billion; France guarantees 37.6% of the nominal value of the assets while Belgium guarantees 62.4%.		*Luxembourg State and Dexia SA/NV*", undated archive of the total outstanding amount of Dexia's "Guaranteed Liabilities" made available by the National Bank of Belgium; "*Positive outcome from European Commission negotiations*", Dexia press release, 6 February 2010; "*Renewal of States guarantee on Dexia's funding for one year*", Dexia press release, 18 September 2009; "*Deuxième Avenant à la Convention de Garantie Autonome*"; 17 March 2010.
While France has discontinued its scheme for refinancing credit institutions on 30 November 2009, it continued to guarantee loans of financial institutions that had participated in the scheme. In May 2009, these guarantees covered loans of approximately EUR 50 billion, of which around EUR 10 billion had maturities of over 3 years. At that time, 13 French financial institutions, including two banks of French car companies Renault and PSA, benefitted from the scheme. The scheme, which came into effect on 30 October 2008 and was extended in May 2009, established the wholly state-owned Société de Financement de l'Economie Française (SFEF, previously known as Société de refinancement des activités des établissements de crédits – SRAEC). The scheme authorised SFEF to provide medium and long-term financing to any bank authorised in France, including the subsidiaries of foreign groups. SFEF benefitted from a state guarantee and was allowed to extend lending up to EUR 265 billion. Credit institutions that benefitted from the scheme had to pay a premium over and above the normal market price and had to make commitments regarding their conduct, including the extension of loans to the real economy.	Until 30 November 2009	European Commission decisions N548/2008 and N251/2009.
On 17 February 2010, Renault received a EUR 100 million loan from the French government for the production of the firm's electric car *Zoé* in France. A formal agreement between the government and the company, in which France holds a 15% stake, also foresees that 70% of the components for the car be sourced in France, up from the planned 40%, after two years of production. The requirement to source French-made components is an expression of the broader Government policy to require car companies in France to increase the share of French-made components in their automobile manufacturing.	January 2010; 17 February 2010	Response of the Minister for Industry to a question at the National Assembly, question no. 1837, Journal Officiel,13 January 2010, p.6; Comptes rendus de la Commission des finances, 17 February 2010.
As part of the support that three French automakers, Renault, Renault Trucks and PSA/Peugeot-Citroën, had received in early 2009, the companies committed not to shut any plants in France for 5 years, corresponding to the duration of a loan of a combined EUR 6.5 billion to the three companies. Then, France provided a commitment to the Commission that the loan agreements "will not contain any condition concerning either the location of their activities or the requirement to prioritise France-based suppliers". This commitment was tested when it emerged in January 2010 that Renault considered producing one of its car models in a plant in Turkey rather than in France. Senior members of Government, including the Industry Minister, a vice-Minister and the French President, publicly opposed the plan to relocate the production of one of the firm's models to a site in Turkey, stressing the firm's commitment, aid previously received by the firm and the State's 15% stake in the firm. The CEO of the firm was called in for questioning over the plan, and the Industry Minister reminded the firm's Director for acquisitions and suppliers that the government deems that cars destined for sale in France must be produced in France.		Response of the Minister for Industry to a question at the National Assembly, question no. 1837, Journal Officiel,13 January 2010, p.6; Comptes rendus de la Commission de l'économie, 17 February 2010; "Questions/Réponses – Le Pacte Automobile", government note, 6 March 2009.

	Description of Measure	Date	Source
	France's Strategic Investment Fund (Fonds Stratégique d'Investissement, FSI), endowed with EUR 20 billion when established on 19 December 2008, continued to acquire stakes in companies including NicOx, Bontoux, Mecachrome, Avanquest, GLI International, Innate Pharma, Phoebe Ingenica, Vallourec, IPS, Gruau, Limagrain, Cylande, Inside Contactless, Mäder, CGGVeritas, Grimaud, Cerenis, and Alcan EP. All these companies except Alcan EP were under French control at the time of the investment. According to the Fund's annual report on 2009, the investment sought to accelerate the development of these enterprises by means of capital increases – or to support companies in temporary difficulties. The minority investment in Alcan EP, once part of a French consortium before its sale to Rio Tinto, seeks to anchor the company in France, according to an FSI executive board member. The large majority of the investments were made in the context of capital increases of the concerned firms. At least one acquisition was realised through the acquisition of shares on the market and in one case, the FSI also co-founded a new company in cooperation with two French automobile producers and a French state-owned research institute. The FSI also invested in or considered investing in some companies that were in financial difficulties at the time of the investment. In December 2009, for instance, the FSI acquired 30% in the holding company of Mecachrome International, then under bankruptcy protection, and in early 2010 considered an investment of EUR 10 million in Heuliez Véhicule Electrique, a new subsidiary of the automotive company Heuliez, which encountered financial difficulties, and eventually entered bankruptcy proceedings on 18 May 2010. According to its strategic orientations, the FSI intends to be involved in the governance of the enterprises in which it has holdings. As of mid-May 2010, the FSI held stakes of or exceeding 20% in 5 companies.	Ongoing	"Le FSI annonce sa participation aux cotés de Renault, Nissan et du Commissariat à l'Energie Atomique (CEA) à la création en France d'une société commune de recherche et développement, de production, de commercialisation et de recyclage de batteries destinées aux véhicules électriques", FSI press release, 5 November 2009; "Résultats 2009 du FSI", FSI press release, 19 April 2010; "Les orientations stratégiques du Fonds stratégique d'investissement", undated strategy statement of the FSI; Comptes rendus de la Commission de l'économie, 17 February 2010. "Augustin de Romanet: 'Nous n'abandonnerons pas nos entreprises aux prédateurs'", Figaro Magazine, 9 January 2009.
	France continued to operate its other state-owned or state co-owned funds that are mandated to assist companies to cope with the crisis and the financial difficulties that it triggered. They include notably a FSI-run programme for SMEs to assist them in strengthening their capital, and, since 1 October 2009, the *Fonds de consolidation et de développement des entreprises* (FCDE). This latter fund, endowed with capital of EUR 200 million, invests in companies that are in financial difficulties, did not succeed in obtaining sufficient investment from private investors, but have potential for development. The fonds will only take minority stakes limited to EUR 15 million. The fund's capital is contributed by the FSI (47.5%) and a consortium of private banks. Once it has received approval by the financial market authority, the fund will be managed by a body composed of its shareholders. In the meantime, the CDC Entreprises, a subsidiary of the public Caisse des Dépôts, operates the fund.		"*Le FSI lance le programme FSI-PME, destiné à renforcer les fonds propres des PME ayant des projets de croissance*", FSI press release, 5 October 2009. "*Lancement du Fond de consolidation et de développement des entreprises*", press release, Médiateur du crédit, 1 October 2009.
	France continued to implement five temporary framework schemes that it had established to support the real economy manage the consequences of the crisis until 31 December 2010. These include:		
	– A scheme for small amounts of aid of up to EUR 500 000 per undertaking in 2009-2010 combined. Over 1,000 enterprises were expected to benefit from the scheme, which came into effect on 19 January 2009.	Ongoing	European Commission decisions N7/2009, N188/2009, and N278/2009.
	– A second scheme that provides aid in form of subsidised interest rates for loans contracted no later than 31 December 2010; the subsidy may only remain in place on interest payments before 31 December 2012. The scheme came into effect on 4 February 2009, and was expected to assist more than 1000 enterprises.	Ongoing	European Commission decision N15/2009.

	Description of Measure	Date	Source
	– A third scheme concerning subsidized guarantees to companies for investment and working capital loans concluded by 31 December 2010. Over 500 enterprises are expected to benefit from the scheme, which came into effect on 27 February 2009.	Ongoing	European Commission decision N23/2009.
	– A fourth framework scheme, which came into effect on 3 February 2009, allows to grant loans with a reduced interest rate at most during two years and until 31 December 2010 to businesses investing in the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The scheme is open for companies of any size and in any sector, and the expected beneficiaries include in particular the automotive industry. The scheme may be implemented by state, regional and local authorities. The French government estimates that about 500 enterprises may benefit from this fourth scheme.	Ongoing	European Commission decision N11/2009.
	– Finally, France continued to implement a temporary aid scheme to support access to finance for the agriculture sector. This framework scheme, which was introduced 2 December 2009, allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees. The overall budget of the scheme is limited to EUR 700 million, and the French authorities expect up to 1,000 companies to benefit directly from the scheme.	Ongoing	European Commission decision N609/2009.
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Financial Market Stabilisation Fund (SoFFin) continued to operate and was prolonged until 31 December 2010. Since its establishment on 17 October 2008, the fund is the vehicle to provide state assistance to the financial sector in response to the crisis. The fund provides guarantees and capital to financial institutions and assumes risk positions. German subsidiaries of foreign financial institutions are entitled to participate in the scheme. SoFFin also provides the umbrella for the establishment by banks of liquidation institutions ("bad banks"). The entry window for guarantees and recapitalisation measures is scheduled to expire on 31 December 2010. By 31 August 2010, SoFFin had received applications from 25 institutions with a gross volume of EUR 242.8 billion. On that date, SoFFin had granted stabilisation measures to 11 German financial institutions. The total volume of the measures were EUR 181.9 billion, of which EUR 152.6 billion were guarantees to 9 institutions; EUR 29.3 billion were provided to 4 financial institutions as capital. Two liquidation institutions had been established.	Ongoing	European Commission decisions N512/2008, N625/2008, N330/2009 and N665/2009, N222/2010; "*Stabilisierungsmaßnahmen des SoFFin*", SoFFin website; Law of 17 October 2008 (Finanzmarktstabilisierungsfondsgesetz—FMStFG); "*Law on the development of financial market stabilisation/Gesetz zur Fortentwicklung der Finanzmarktstabilisierung*", in force since 23 July 2009.
	On 8 July 2010, SoFFin established a liquidation institution for Hypo Real Estate Holding AG (HRE). The liquidation institution for HRE is the second institution, after WestLB, a state controlled bank, had established such an institution on 11 December 2009. For HRE, the establishment of the liquidation institution follows a series of earlier interventions, including two capital increases by EUR 3 billion and EUR 1.85 billion, respectively to a total amount of EUR 8.15 billion, following a squeeze-out of remaining shareholders on 13 October 2009 that left SoFFin the sole owner of HRE. SoFFin also provided the	May 2010, 8 July 2010, 10 September 2010	European Commission decisions C15/2009, N557/2009 and N161/2010; "*SoFFin löst Liquiditätsfazilität ab – Restrukturierung der HRE schreitet voran"*, SoFFin press release, 21 December 2009. European Commission decision N694/2009 and European Commission press release IP/09/1985, dated 21 December 2009.

	Description of Measure	Date	Source
	now fully state-owned bank guarantees. SoFFin has also provided several guarantees to HRE; a SoFFin guarantee of EUR 43 billion replaced an earlier guarantee of the same amount provided by the Federal Government and a consortium of financial institutions on 21 December 2009; an additional guarantee of EUR 10 billion was reactivated on 28 May 2010, and a further guarantee of EUR 40 billion was granted on 10 September 2010. Overall, HRE, now benefits from public guarantees of EUR 103.5 billion. The liquidation institution is expected to take over assets with a nominal value of up to EUR 210 billion.		"*FMS Wertmanagement – Abwicklungsanstalt der Hypo Real Estate Gruppe (HRE) gegründet*", "*Garantierahmen der HRE temporär um bis zu 40 Mrd. Euro aufgestockt*", SoFFin press release, 10 September 2010.
	On 16 July 2010, Aareal Bank became the first financial institution to begin repayment of SoFFin's silent participation of EUR 525 million that the bank had received in early 2009. Aareal Bank reimbursed EUR 150 million.	16 July 2010	"*Aareal Bank starts repayment of the SoFFin silent participation ahead of plan, enhances funding flexibility through a precautionary measure*", Aareal Bank Group press release, 28.06.2010.
	The liquidation institution for WestLB, established under SoFFin on 11 December 2009 remains in place and holds a portfolio of non-strategic, illiquid assets with a nominal value of EUR 85.1 billion. SoFFin also continues to hold capital in WestLB resulting from a EUR 3 billion capital injection that can be turned into shares at a later stage, whereby a 49% stake in the bank may not be exceeded. WestLB is implementing a restructuring plan that requires among others that WestLB: reduce its balance sheet by 50% until March 2011, and change the bank's ownership structure through a public tender procedure before the end of 2011. These elements are designed to offset the distortion of competitive conditions that the stabilisation and support measures in favour of the bank had triggered.		European Commission decisions C43/2008, N531/2009, C40/2009 and N249/2010; "*Bundesanstalt für Finanzmarktstabilisierung errichtet Abwicklungsanstalt der WestLB*", SoFFin press release, 14 December 2009; "*SoFFin unterstützt WestLB*", SoFFin press release, 26 November 2009.
	In addition to measures executed under the SoFFin scheme, three state controlled financial institutions received public assistance with corresponding public assets and liabilities:		
	– The state-controlled Nord/LB obtained a guarantee for securities with a maturity of five and three years of up to EUR 20 billion. The entry window for the measure ended on 15 February 2010 as scheduled.	Until 15 February 2010	European Commission decisions N655/2008 and N412/2009.
	– LBBW, another state-controlled bank, received a capital injection of EUR 5 billion and a public guarantee of EUR 12.7 billion for a period of 5 years. The bank undergoes restructuring following a restructuring plan that became effective on 15 December 2009. LBBW plans to start repaying the capital resulting from the capital injection from 2014 onwards.	15 December 2009	European Commission decision C17/2009.
	– BayernLB had received State emergency aid in form of a risk shield of EUR 4.8 billion and a capital injection of EUR 10 billion. BayernLB also continues to benefit from a guarantee of EUR 5 billion, down from EUR 15 billion, under SoFFin scheme. It is expected that the risk-shield will be passed out by 2015.		European Commission decisions N615/2008 and C16/2009.
	Germany continued to implement seven support schemes for non-financial sectors:		
	– Germany maintained its credit and guarantee programme "Wirtschaftsfonds Deutschland" that disposes of a gross volume of up to EUR 115 billion and is scheduled to run until 31 December 2010. It consists of a credit component (up to a total of EUR 25 billion), a credit guarantee component (up to EUR 75 billion), as well as a loan subsidy programme (budgeted at up to EUR 15 billion and administered by the State-owned development bank KfW). Under the programme, decisions on major support measures (i.e. applications for credit in excess of EUR 150 million and credit guarantees in excess of EUR 300 million or cases of fundamental significance—increased risks, unusual loan and/or collateral structure, or special significance for regional or sectoral employment) are taken by an inter-ministerial Steering Group which takes into account	Ongoing	"Kredit- und Bürgschaftsprogramm der Bundesregierung/Wirtschaftsfonds Deutschland". Detailed documentation (in German) is provided on the website of the Federal Ministry for Economy and Technology; "KfW Sonderprogramm 2009", initially introduced on 5 November 2008. European Commission decision N661/2008. Modifications of the programme were planned to enter into force in February 2010 "Verbesserungen im KfW Sonderprogramm für

	Description of Measure	Date	Source
	inter alia the long term viability of the firm and whether or not it has access to commercial credit. By the end of April 2010, almost 14,000 applications from companies have been approved, and EUR 12.3 billion, almost 11% of the available volume, had been committed. At the end of April 2010, the overwhelming majority (about 98%) of beneficiaries were SMEs, but about 48% of the volume of support went to large companies. Until end-April 2010, 58% of the approved applications by volume were for credits, and 42% for credit guarantees.		mittelständische Unternehmen", press release, Federal Ministry for Economic Affairs and Technology, 10 December 2009; "Burgbacher: ‚Wirtschaftsfonds Deutschland ist ein Erfolg‘", press release of the Federal Ministry for Economic Affairs and Technology, 12 April 2010.
	– Germany continued to implement its framework scheme for small amounts of aid that broadens channels for distributing existing funds earmarked for state aid. It authorises the government to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures can be applied until the end of 2010.	Ongoing	"Regelung zur vorübergehenden Gewährung geringfügiger Beihilfen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise ("Bundesregelung Kleinbeihilfen")". European Commission decisions N668/2008, N299/2009 and N411/2009.
	– Germany also continued to implement four schemes that allow authorities at federal, regional and local levels to grant aid in various forms. The schemes include a scheme regarding subsidized guarantees for investment and working capital loans concluded by 31 December 2010. A second scheme permits authorities at federal, regional and local level, including public development banks, to provide loans at reduced interest rates. A third scheme concerns the granting of risk capital. All three schemes initially came into force in February 2009 and are scheduled to expire on 31 December 2010. A fourth framework scheme, concerning reduced interests on loans to businesses investing in the production of "green" products entered into effect in August 2009. The scheme is open for companies of any size and any sector, and the expected beneficiaries include in particular the automotive industry and products related to Ecodesign measures.	Ongoing	"Regelung zur vorübergehenden Gewährung von Bürgschaften im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N27/2009; "Regelung zur vorübergehenden Gewährung niedrigverzinslicher Darlehen an Unternehmen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N38/2009; "Bundesrahmenregelung Risikokapital", European Commission decision N39/2009; "Bundesrahmenregelung zur Herstellung grüner Produkte", European Commission decision N426/2009.
	– Finally, Germany continued to implement a temporary aid scheme to support access to finance for the agriculture sector. The framework scheme, which came into effect on 23 November 2009, allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees.	Ongoing	"Bundesregelung landwirtschaftliche Kleinbeihilfen", European Commission decision N597/2009.
Greece			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Greece continued to implement is bank support scheme, increased the scheme's budgetary ceiling twice and, in June 2010, prolonged it a third time until 31 December 2010. The scheme was initially established in November 2008 and consists of three components: a guarantee scheme; a recapitalisation scheme; and a 'bond loan' scheme. Any credit institution authorised to operate in Greece—including subsidiaries of foreign banks—may benefit from the scheme. Institutions benefiting from recapitalization measures or State guarantees must agree to various conditions, including government appointed director of the board, and behavioural conditions. Initially, EUR 20 billion were allocated for the three components of the scheme. Later, the ceiling was revised upwards twice to	Ongoing	European Commission decisions N560/2008, N504/2009, N690/2009, N163/2010 and N260/2010.

	Description of Measure	Date	Source
	EUR 43 billion and EUR 68 billion (EUR 10 billion for recapitalisation measures, EUR 50 billion for guarantees, and EUR 8 billion for bond loans). By 16 June 2010, recapitalisations of an aggregate amount of EUR 3.8 billion had been carried out, while the most recent such measure had been executed before September 2009. Also by mid-June 2010, guarantees of EUR 27 billion and bond loans of EUR 7.6 billion have been granted.		
	On 3 September 2010, Greece established the *Hellenic Financial Stability Fund* (FSF). Based on financial assistance provided by the euro area and the IMF to Greece and implemented by Greek authorities, the FSF will provide equity capital to credit institutions by acquiring preference shares and, under certain conditions, common shares in respective banks. The Fund's total budget is EUR 10 billion and it is set to last until 30 June 2017. The European Commission has authorised the FSF until 31 December 2010. All banks benefitting from the fund will need to present a restructuring plan to the European Commission.	3 September 2010	European Commission decision N328/2010 and European Commission press release IP/10/1092, 3 September 2010.
	Greece continued to implement its two temporary aid schemes that share a common budgetary ceiling of EUR 2 billion. Its scheme for loan guarantees allows the provision of aid in the form of guarantees for working capital loans and investment loans concluded by 31 December 2010. The second scheme authorises subsidising interest rates on loans taken by 31 December 2010.	Ongoing	European Commission decisions N308/2009 and N309/2009.
Hungary			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	While Hungary had discontinued the implementation of the guarantee component of its bank support scheme on 31 December 2009, it continued to implement the recapitalisation component of the scheme and prolonged this component a third time until 23 December 2010. Both components of the scheme were initially established in February 2009, were open to all systemically-important credit institutions and contain behavioural restrictions that beneficiaries have to respect. The discontinued guarantee component, which was budgeted at HUF 1500 billion covered certain categories of new debt but was never applied. The recapitalisation component, which was operated through government purchases of preferred shares of credit institutions and budgeted at HUF 300 billion, has only been used once when *FHB Jelzálogbank Nyrt* received a capital injection of HUF 30 billion.	Ongoing	European Commission decisions N355/2009, N664/2008, N662/2009 and N224/2010.
	Hungary continued to implement its lending programme in domestic or foreign currency directly to systemically-important banks. The liquidity scheme entered into effect in March 2009 and was prolonged in June 2010 until 31 December 2010, when the entry window closes. Liquidity support under the scheme can be granted as non-subordinated, non-structured loans. Between its inception and June 2010, the Hungarian authorities had concluded loan agreements with three banks, *OTP Bank Nyrt* (on 25 March 2009 for HUF 400 billion, repaid in two tranches in November 2009 and March 2010); as well as *FHB Jelzálogbank Nyrt*. (on 25 March 2009, approximately HUF 120 billion) and *MFB Zrt./Eximbank Zrt*. (14 April 2009, approximately HUF 170 billion). Both outstanding loans to *FHB* and *MFB* have maturity dates of 11 November 2012.		European Commission decision NN68/2009 and N225/2010.

	Description of Measure	Date	Source
	Hungary continued to implement its five temporary framework schemes to support enterprises in the real economy, three of which are guarantee schemes:		
	– A scheme for granting limited amounts of aid in the form of direct grants, reimbursable grants, soft loans, interest rate subsidies, tax advantages, reduction of social security contributions, provision of risk capital, equity intervention (increase of capital by public companies where the maximum amount of capital increase in a given company cannot exceed EUR 500,000), debt write-off and public guarantees. The scheme initially entered into effect in February 2009.		European Commission decision N77/2009.
	– A scheme for granting aid in the form of loans with subsidised interest rates. The scheme is open to all sectors of the economy, and to large enterprises and SMEs alike. At the inception of the scheme, Hungarian authorities estimated that over 1,000 enterprises will benefit from aid under this scheme.		European Commission decision N78/2009.
	– A scheme for granting subsidised guarantees for investment and working capital loans as well as for financial leasing. The scheme is administered by *Garantiqa Hitelgarancia Zrt.*, a major guarantee institution in Hungary, and is aimed at SMEs only. An estimated guarantee volume of HUF 1800 billion will be authorised, corresponding to HUF 7.7 billion in aid. Guarantees can be granted until 31 December 2010.		European Commission decision N114/2009.
	– A scheme that authorises at central, regional and local levels to provide subsidised guarantees related to investment and working capital loans of SMEs and large enterprises. It is estimated that the guaranteed amount of loans will not exceed HUF 500 billion. Guarantees can be granted until 31 December 2010.		European Commission decision N203/2009.
	– A scheme that allows the provision of subsidised guarantees for investment and working capital loans and covers and covers SMEs mostly in the agricultural and rural sectors. The aid is granted in a decentralised way by all relevant economic policy actors at central, regional and local levels. The Hungarian authorities estimate that the guaranteed amount of loans will not exceed HUF 2.315 billion. The overall budget for this scheme is HUF 7 billion of guarantee volume and an aid amount of HUF 0.4 billion. The scheme was slightly modified on 6 May 2010.		European Commission decisions N341/2009 and N56/2010.
Iceland			
Investment policy measures	The Central Bank of Iceland's new *Rules on Foreign Exchange* entered into force on 30 April 2010 and abrogated the previous rules on foreign exchange (no. 880/2009) that had come into force on 31 October 2009. Changes primarily clarify issues arising from the previous version of Rules, but also reduce the maximum amount for which foreign currency may be purchased for travel ISK 500,000 per calendar month to ISK 350,000 per calendar month. The current Rules thus maintain in place some of the capital controls that Iceland had introduced since 28 November 2008.	30 April 2010	"*Rules on Foreign Exchange*", No. 370, 29 April 2010; "Amended Rules on Foreign Exchange", Central Bank of Iceland press release, 3 May 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Iceland discontinued to implement the Mortgage Loan Scheme on 27 March 2010 when the scheme expired as scheduled. The scheme, which came into effect on 27 March 2009 and implemented by the Housing Financing Fund (HFF), the national housing agency, allows the Fund to grant short-term guarantees to banks, savings banks and other financial institutions established in Iceland for mortgage loans already granted by those institutions. The	Ongoing until 27 March 2010.	EFTA Surveillance Authority decision 168/09/COL.

	Description of Measure	Date	Source
	guarantee was provided through a temporary asset swap between the HFF bonds and the bonds of the banks covered by a portfolio of mortgage loans. The budget of the scheme amounts to ISK 30 billion, and 14 institutions with a total value of mortgage loans of approximately ISK 29.8 billion applied for participation. Seven applicants with the total amount of mortgage loans of approximately ISK 8.9 billion were accepted.		
	Iceland continued to implement a second Mortgage Loan Scheme, which also came into effect on 27 March 2009. The scheme is similar to the scheme described above but includes a permanent – not temporary – asset swap between the HFF bonds and the bonds of the banks covered by a portfolio of mortgage loans. Seven financial institutions have applied for participation in the scheme and three of them – Keflavik Saving Fund, BYR Savings Bank and Bolungarvik Savings Bank – have entered into agreements with the HFF. No entry window for the scheme has been determined.	Ongoing.	EFTA Surveillance Authority decision 76/10/COL.
	On 21 June 2010, Iceland established the *CBI scheme – Part 1*, a scheme under which five Icelandic savings banks may receive rescue aid and undergo financial restructuring in order to unwind financial claims on the savings banks that had come into the possession of the Central Bank of Iceland (CBI) when *Sparisjóðabanki Íslands hf*. (SPB) and, subsequently, its successor *BYR* collapsed in 2009 and April 2010, respectively. These institutions had acted as a central servicing bank for the savings banks, a role now with the CBI. To implement the scheme, the CBI has negotiated in early 2010 with each savings bank an agreement on the terms of the financial restructuring. They include the conversion of claims to: guarantee capital, which will be taken over by the Ministry of Finance; subordinated debt with a maturity of 7 years; general loans with a 5-year maturity. Other claims will be settled in cash or written off.	21 June 2010	EFTA Surveillance Authority decision 253/10/COL.
	The government of Iceland continues to hold positions in several financial institutions that result from restructuring of these institutions since late 2008. These include holdings in *Landsbanki* (81%), *Arion banki* (13%) and *Íslandsbanki* (5%). The government appoints four directors on *Landsbanki's* board and one each on the boards of the other two banks. Restructurings of these three banks were concluded on 18 December 2009. Overall, the state had contributed ISK 184 billion to the banks' reconstruction, ISK 135 billion to the restructuring operation, and subordinated loans to Arion banki (ISK 24 billion) and to Íslandsbanki (ISK 25 billion). Iceland also holds positions in *Sjóvá-Almennar tryggingar hf.*, an insurance company established in Iceland. These positions result from the Icelandic Government's participation in the financial restructuring of *Sjóvá* in mid-2009. The Icelandic Treasury obtained the 73% holding in *Sjóvá* from *SAT eignarhaldsfélag* in return for credit in the form of bonds for the transaction in which Sjóvá obtained capital of ISK 16 billion.		"*Bank Reconstruction Concluded*", Ministry of Finance press release No. 82/2009, 17 December 2009; "*Ríkissjóður selur kröfur fyrir 11,6 milljarða til endurskipulagningar Sjóvár*", Ministry of Finance press release No 47/2009, 8 July 2009; EFTA Surveillance Authority decision 77/10/COL.
India			
Investment policy measures	On 25 March 2010, India increased the thresholds that trigger certain approval procedures for inward investments. The new rules foresee that inward investment proposals worth up to INR 12 billion would be considered by the Minister of Finance, up from INR 6 billion. Only proposals exceeding this threshold need to be approved by the Cabinet Committee on Economic Affairs. The amendment also abolishes the requirement for prior approval for additional foreign investment into the same entity under certain conditions. These changes, which were initially announced in a press note, have been integrated into the	25 March 2010	Press Note No.1 (2010 Series), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 25 March 2010; "Consolidated FDI Policy", Circular 1 of 2010, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.

	Description of Measure	Date	Source
	new Consolidated FDI Policy, section 4.9.		
	On 1 April 2010, India issued a Consolidated FDI Policy that brings into one circular all prior regulations on FDI, including those contained in the Foreign Exchange Management Act (FEMA, 1999), RBI Regulations under FEMA, 1999 and Press Notes/Press Releases/Clarifications issued by DIPP. The circular is not intended to make substantive changes to the existing regulations. The Circular is scheduled to be updated every six months to update India's FDI policy. Consequently, the issuance of a revised consolidated circular has been announced for 30 September 2010. Comments and suggestions on the circular were solicited from the public.	1 April 2010	"*Consolidated FDI Policy*", Circular 1 of 2010, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry; "*Consolidated FDI Policy Circular - Invitation of Views*", undated document, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, issued two discussion papers to solicit views on possible amendments of India's regulations on foreign investment in the defence sector and in multi-brand retail trading. At the end of the reporting period, the Indian government had not published conclusions from these processes.	17 May 2010; 6 July 2010.	"*Discussion Paper on Foreign Direct Investment (FDI) in Defence Sector*", 17 May 2010; "*Issue of Discussion Paper on Foreign Direct Investment (FDI) in Multi-Brand Retail Trading*", 6 July 2010.
	On 1 April 2010, the Reserve Bank of India allowed Indian companies to participate in a consortium with international operators to construct and maintain submarine cable systems on a co-ownership basis under the automatic route.	1 April 2010	Reserve Bank of India, RBI/2009-10/376 A.P. (DIR Series) Circular No.45, dated 1 April 2010.
	On 3 May 2010, the Foreign Educational Institution (Regulation of Entry and Operation) Bill, 2010 was introduced in the Lok Sabha, the Indian Parliament. Once passed into law, the Bill would provide for regulated entry and operations of Foreign Educational Institutions to provide higher education services in India.	3 May 2010	Foreign Educational Institution (Regulation of Entry and Operation) Bill, 2010.
	On 4 May 2010, the Reserve Bank of India modified the pricing guidelines for the transactions of shares, preference shares and convertible debentures between residents and non-residents. For the sale of listed shares by a non-resident to a resident, the change sets minimum prices that take into consideration medium term past performance rather than the current market price; the minimum price of unlisted shares is to be determined according to fair value. Where a non-resident sells shares in an Indian company to a resident buyer, the price may not exceed the so determined price.	4 May 2010	Reserve Bank of India, RBI/2009-10/445 A. P. (DIR Series) Circular No.49, dated 4 May 2010.
	On 10 May 2010, the Indian Government prohibited FDI in manufacturing of cigars, cigarettes, cigarillos as well as tobacco and tobacco substitutes for both domestic consumption and export; the measure also concerns production in tax-free special economic zones. Previously, foreign ownership of up to 100% was allowed in this area.	10 May 2010	Press Note No.2 (2010 Series), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 10 May 2010.
	On 1 July 2010, the Reserve Bank of India (RBI) issued a series of master circulars, some of which address international capital flows. These master circulars consolidate existing regulations, thus enhancing transparency of India's regulatory framework. The master circulars will expire on 1 July 2011 to be replaced by updated circulars. The circulars include among others: – the *Master Circular on External Commercial Borrowings and Trade Credits*; – the *Master Circular on Foreign Investment in India*; – the *Master Circular on Establishment of Liaison/Branch / Project Offices in India by Foreign Entities;* – the *Master Circular on Acquisition and Transfer of Immovable Property in India by NRIs/PIOs/Foreign Nationals of Non-Indian Origin;* – the *Master Circular on External Commercial Borrowings and Trade Credits;* – the *Master Circular on Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) Abroad;*	1 July 2010	

	Description of Measure	Date	Source
	– the *Master Circular on Non-Resident Ordinary Rupee (NRO) Account;* – the *Master Circular on Remittance Facilities for Non-Resident Indians/Persons of Indian Origin/Foreign Nationals;* – the *Master Circular on Miscellaneous Remittances from India – Facilities for Residents*; and – the *Master Circular on Money Transfer Service Scheme*.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Indonesia			
Investment policy measures	On 1 February 2010, Indonesia issued Government Regulation No. 23/2010 on Mining Activities in relation to the Mining Law (Law No. 4/2009). The regulation specifies the scope of the obligation for foreign investors to divest mining concessions in Indonesia, set out in article 112 of the Mining Law. Specifically, Regulation 23/2010 requires that within five years of commencement of production, 20% of the foreign capital must be sold to local parties, including central, provincial or regional governments, regency, state-owned companies, regional-owned companies, or private national entities.	1 February 2010	Government Regulation No. 23/2010 on Mining Activities.
	On 16 June 2010, the Central Bank of Indonesia introduced measures to slow down short-term capital flows. These include: – a one-month minimum holding period on Sertifikat Bank Indonesia (SBIs), a debt instrument, with effect from 7 July 2010; and – regulations on banks' net foreign exchange positions.	16 June 2010	
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Ireland			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Ireland continued to implement its guarantee scheme and prolonged the issuance window for guarantees until 31 December 2010 (except for certain short term papers). The scheme initially came into effect on 13 October 2008 as the *Credit Institutions Financial Support scheme* (CIFS) and was later amended and extended as the *Credit Institutions Eligible Liabilities Guarantee scheme* (ELG) with maturities of up to five years as opposed to maturities	Ongoing	European Commission decisions NN48/2008, N349/2009, N198/2010 and N254/2010.

	Description of Measure	Date	Source
	of up to two years under CIFS. Under the scheme, eligible financial institutions can obtain guarantees on deposits, covered bonds, senior debt and dated subordinated debt. The institutions eligible to benefit from the scheme are those systemically important credit institutions which the Minister specifies by Order as requiring financial support and that conclude an agreement with the minister of finance. Eligible institutions include subsidiaries of financial institutions established in another EU-member State. As of 14 April 2010, 15 Irish financial institutions have applied for and have been certified as participating institutions under the scheme. Six Irish banks specified by the Government's announcement of 30 September 2008 – Allied Irish Bank, Bank of Ireland, Anglo Irish Bank, Irish Life and Permanent, Irish Nationwide Building Society and the Educational Building Society as well as their subsidiaries abroad – partake in the scheme, and include: Irish Life and Permanent plc; Irish Permanent (IOM) Limited; Bank of Ireland; Bank of Ireland Mortgage Bank; The ICS Building Society ,a subsidiary of Bank of Ireland; Bank of Ireland (IOM) Limited; Allied Irish Banks, plc; AIB Group (UK) plc; AIB Bank (CI) Limited; AIB Banks North America Inc.; Anglo Irish Bank Corporation Limited; Anglo Irish Bank Corporation (International) plc.; EBS Building Society; Irish Nationwide Building Society; and Irish Nationwide (IOM) Ltd. On 14 April 2010, liabilities of EUR 153 billion were guaranteed under the scheme.		
	Ireland carried out a series of measures regarding individual banks covered by the CIFS, which include the following:		
	– Ireland developed a restructuring plan for the Bank of Ireland. The restructuring plan foresees various divestments of the bank's holdings in Ireland and the UK, and, to enhance competition, obliges the bank to offer certain services to new entrants or to small banks already active in Ireland.		European Commission decisions N149/2010 and N546/2010 and European Commission press release IP10/954.
	– Anglo Irish Bank, specialised in commercial real estate lending in Ireland, the UK and the US and taken in public ownership on 21 January 2009, received two further recapitalisation measures of up to a total of EUR 10.44 billion to allow the bank to respect its capital requirements. These recapitalisations follow an earlier recapitalisation of EUR 4 billion in June 2009. Anglo Irish Bank will transfer impaired assets to the National Asset Management Agency ("NAMA", see below) with a nominal value between EUR 38 billion.		European Commission decisions N356/2009, N667/2009, NN12/2010, C11/2010 and NN35/2010.
	– Educational Building Society (EBS) will receive a capital injection of up to EUR 875 million. Part of the injection will allow Ireland to take control of the financial institution; the rights attached to the transaction include the right of the Irish authorities to appoint and remove the majority of the directors, including the Chairman and CEO, and give the Irish authorities privileged voting powers. In addition to the capital injection, EBS participates in NAMA and has transferred, in April 2010, EUR 144 million of EBS' commercial loan portfolio to NAMA. Total transfers to NAMA are expected to accumulate to EUR 900 million.		European Commission decision N160/2010.
	– Ireland granted Irish Nationwide Building Society (INBS) a capital injection of EUR 2.7 billion, part of which will allow Ireland to take control of this financial institution as well as the rights attached to the transaction allow the Irish authorities to appoint and remove the majority of the directors, including the Chairman and CEO, and give the Irish authorities privileged voting powers. In addition to the capital injection, INBS participates in NAMA as will transfer impaired assets to the agency.		European Commission decision NN11/2010.

	Description of Measure	Date	Source
	Ireland established the National Asset Management Agency (NAMA), an impaired asset relief scheme for financial institutions in Ireland and, on 3 August 2010, received authorisation to transfer the first tranche of assets to the agency. Established under the aegis of the National Treasury Management Agency, NAMA buys from participating financial institutions assets related to loans issued for the purchase, exploitation or development of land and associated loans. The Irish authorities anticipate that NAMA will purchase loans with a nominal value of approximately EUR 80 billion for an estimated purchase price of EUR 54 billion. NAMA will issue State-guaranteed senior debt securities for 95% of the purchase price and non State-guaranteed subordinated debt securities for 5% to the participating credit institutions. Using these securities as collateral is expected to allow these credit institutions to obtain financing from the European Central Bank. Participation in NAMA was open to all systemically-important credit institutions established in Ireland, including subsidiaries of foreign banks. Five institutions applied and were admitted by the Minister of Finance for participation during the 60 day application window between 21 December 2009 and 19 February 2010: Anglo Irish Bank, Allied Irish Bank, Bank of Ireland, Irish Nationwide Building Society and Educational Building Society.	26 February 2010, 3 August 2010, ongoing.	European Commission decisions N725/2009 and N331/2010, and European Commission press releases IP/10/198, 26 February 2010 and MEX/10/0803.
	Ireland continued to implement its framework scheme to grant limited amounts of aid (up to EUR 500,000 per firm in 2009 and 2010) to businesses facing difficulties to access credit. Under the scheme, which is administered by Enterprise Ireland, aid can be provided as direct grants, reimbursable grants, interest rate subsidies, and subsidised public loans. The overall estimated budget for the implementation of the scheme stands at EUR 350 million after an upward revision on 15 December 2009 from EUR 100 million. Ireland expects that 2,000 companies may benefit from the scheme, up from 1,000 firms initially.	Ongoing	European Commission decisions N186/2009 and N473/2009.
Israel			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	While Italy has discontinued its recapitalisation framework scheme on 31 December 2009, at least one bank that has received a capital injection under the scheme retains this capital beyond that date. Under the scheme, that had been extended and slightly modified in October 2009, *Banco Popolare Società Cooperativa* received a capital injection of EUR 1.45 billion on 31 July 2009.The scheme had authorised the injection of capital by acquisition of undated		Article 12 of Decree-Law No 185 of 28 November 2008 and implementing decree. European Commission decisions N648/2008, N97/2009 and N466/2009.

	Description of Measure	Date	Source
	debt from banks incorporated under Italian law, including subsidiaries of foreign banks. A later modification encouraged early redemptions. The Ministry of Economy and Finance administered the scheme and the Bank of Italy was involved in the evaluation of applicant institutions. During the first six months of operations, five applications were received under the scheme.		
	Italy continued to implement an aid scheme for the non-financial sector that allows subsidies on interest rates for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The scheme is open for companies of any size and any sector, and the beneficiaries will include in particular the automotive industry, affected by crisis-related difficulties to access capital and declining sales, and supports specifically development and production of components that will be competitive in the future. The scheme, budgeted of up to EUR 300 million, and introduced on 26 October 2009, is open to companies of all sizes, and over 1,000 undertakings are expected to benefit directly from the scheme. Interest rate subsidies under this scheme may not be granted after 31 December 2010. The scheme is administered by the Ministry for Economic Development, but other levels of the public administration may be involved in the scheme's administration at a later stage.	Ongoing	"Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009" and "Dettagli operativi"; European Commission decision N542/2009.
	Italy also continued to implement its framework scheme for small amounts of aid. The scheme allows authorities at national, regional and local levels to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures can be applied until 31 December 2010. When the scheme was introduced, the Italian authorities estimated that more than 1000 companies would benefit from aid granted under the scheme.	Ongoing	European Commission decision N248/2009.
	Italy continued to implement a further temporary aid scheme to support access to finance for the agriculture sector. The framework scheme, which came into effect on 1 February 2010, allows authorities to provide this support until 31 December 2010.	Ongoing	European Commission decision N706/2009.
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 30 April 2010, Japan discontinued the Stock Purchasing Program under which the Bank of Japan had purchased stocks held by commercial banks for a total amount of JPY 387.8 billion since its stock purchasing programme resumed on 23 February 2009. Under the programme, the Bank of Japan bought qualified listed stocks with a rating of at least BBB- at market price from certain banks that hold a current account with the Bank of Japan up to a limit of JPY 250 billion per bank and up to an overall cap of JPY 1 trillion. The stock purchase sought to reduce market risks of Japanese financial institutions resulting from volatile stock values that adversely affected management of financial institutions and credit intermediation.	Until 30 April 2010	"Termination of the Stock Purchasing Program", Bank of Japan release, 30 April 2010; "The Bank of Japan to Resume Stock Purchases Held by Financial Institutions", Bank of Japan release, 3 February 2009.
	Japan continued to implement its capital injection programme. Under the programme, which is based on the Act on Special Measures for Strengthening Financial Functions, the Japanese government injects capital into deposit-taking institution to help them properly and fully exercise their financial intermediary functions to SMEs. The programme is scheduled to expire on 31 March 2012.	Ongoing	"Financial Assistance and Capital Injection by Deposit Insurance Corporation of Japan", FSA website. www.fsa.go.jp/common/diet/170/index.html. www.fsa.go.jp/news/20/20081216-3.html.

	Description of Measure	Date	Source
	The overall budget for capital injections is capped at JPY 12 trillion.		
	Japan also continued to operate the share purchase programme of the Banks Shareholding Purchase Corporation (BSPC). Japan had reactivated this programme in March 2009. The programme originally expired on 31 September 2006 but it was extended to March 2012. The BSPC is an authorised corporation which can purchase shares issued and/or owned by member banks, upon request from the member banks. Currently all members are Japanese banks, but local branches of foreign banks are eligible to become members as well. The amended Act on Special Measures for Strengthening Financial Functions which was enacted in March 2009 provides a government guarantee up to JPY 20 trillion for the BSPC's operations.	Ongoing	www.bspc.jp/pdf/saikai.pdf.
	The government-owned Japan Finance Corporation (JFC) continued to cover parts of losses that designated financial institutions suffered as a result of providing financing to business operators that implemented an authorized business restructuring plan. The measure came into force under an amendment to the Act on Special Measures for Industrial Revitalisation and a related cabinet ordinance on 30 April 2009. On 8 December 2009; the government extended the duration of the measure until the end of September 2010.	Ongoing	Ministry of Economy, Trade and Industry press release (in Japanese); "Cabinet Ordinance to Partially Amend the Enforcement Order for the Act on Special Measures for Industrial Revitalization", Ministry of Economy, Trade and Industry press release, 24 April 2009; "Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
	The government extended the period of crisis response operations in which the Development Bank of Japan and Shoko Chukin Bank provide two-step loans and purchase Commercial Paper from the end of March 2010 to the end of March 2011.	Ongoing	"Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
	Japan also continued to implement measures to enhance credit supply to firms: It increased the funds available for emergency credits for SMEs from JPY 30 trillion to JPY 36 trillion and increases the volume of safety-net loans by government-affiliated financial institutions from JPY 17 trillion to JPY 21 trillion.	Ongoing	"Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
	The state-backed Japan Bank for International Cooperation (JBIC) continued to implement temporary measures that provide Japanese companies operating abroad in developing or industrialised countries with loans and guarantees to finance their investment projects in developing countries. The support is provided by JBIC or through domestic financial institutions that receive two-step five-year loans from JBIC with a total volume of up to USD 3 billion. These financial institutions are required to on-lend these funds to overseas Japanese SMEs, mid-tier firms and second-tier large corporations to further support firms governed by Japanese law by financing their overseas subsidiaries' business activities. Eligible for support under the schemes are: (1) Japanese companies and their overseas subsidiaries and affiliates conducting business operations in industrial countries; and (2) major Japanese companies having equity stakes in projects in developing countries (overseas investment loans). The measure, which was initially scheduled to expire at the end of March 2010, was extended on 15 February 2010 by one year until the end of March 2011. By 31 March 2010, 130 financing operations – loans and guarantees – had been carried out with an overall amount of over JPY 2 trillion.	Ongoing	"Overseas Investment Finance for Japanese Firms to Finance Their Business Operations in Industrial Countries", JBIC release, 15 January 2009; "JBIC's Response to Global Financial Turmoil", JBIC release, 15 January 2009; "JBIC's Response to Global Financial Turmoil No. 2", JBIC release, 2 April 2009; "Public Invitation to Domestic Financial Institutions to Apply for Two-Step Loans Based on 'Countermeasures to Address the Economic Crisis'", JBIC news release NR/2009-10, 26 May 2009; "JBIC Extends Emergency Measures Intended to Respond to Global Financial Turmoil", JBIC release, 26 February 2010; "JBIC's Emergency Measures in Response to Global Financial Turmoil", JBIC News Release NR/2010-4, 13 April 2010.

	Description of Measure	Date	Source
Korea			
Investment policy measures	On 13 June 2010, Korea announced macro-prudential measures to mitigate volatility of capital flows, including: – Limits on banks' forward exchange positions of banks (including FX forward, FX swap, cross currency interest rate swap, non-deliverable forward, etc): 50% of domestic banks' capital; 250% of foreign bank branches' capital; – Foreign currency loans granted by financial institutions to residents can only be used for overseas purposes; – Tighter regulations on banks' FX liquidity ratio and mid- to long-term financing ratio in foreign loan portfolios.	13 June 2010	
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Republic of Korea continued to operate its Corporate Restructuring Fund. The fund, which is administered by Korea Asset Management Corporation (KAMCO), is to purchase until 2014 non-performing loans from financial institutions as well as assets of the companies that undergo restructuring. The fund will purchase above-mentioned loans and assets within the amount of KRW 10 trillion in 2010. The Fund disposes of up to KRW 40 trillion (USD 27 billion) through government-guaranteed bonds.	Ongoing	
	KAMCO continued to implement the ship purchase scheme and continued to purchase vessels from shipping companies to help them cope with short-term liquidity problems. The scheme was expanded in November 2009. The shipping fund, which has a volume of KRW 4 trillion, has been established through contributions from private investors and financial institutions as well as from the Restructuring Fund managed by KAMCO. The fund was initially established on 13 May 2009 as part of efforts to facilitate restructuring of the shipping industry and began purchasing ships in July 2009.	Ongoing	"*Restructuring Initiatives for Shipping Industry*", Financial Services Commission Press release, 23 April 2009.
Latvia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Latvia prolonged and continued to implement a guarantee scheme for banks in Latvia. The scheme was initially established on 22 December 2008 and has since been prolonged three times until 31 December 2010. Under the scheme, banks incorporated in Latvia, including Latvian subsidiaries of foreign banks that are considered to be of importance for the financial stability of Latvia can apply for a State guarantee, which can cover issuance of new debt with maturities of 6 month to 3 years and, exceptionally, existing loans with a maturity of up to 3 years. The total amount that can be guaranteed under the scheme is capped at 20% of GDP, or approximately LVL 2.4 billion. Until early June 2010, no guarantee had been given under the scheme.	Ongoing	European Commission decisions N638/2008, N326/2009, N664/2009 and N223/2010.
	Latvia continues to hold the majority of JSC Parex Banka, a universal bank based in Latvia, following a capital injection in late 2008 that lead to a Latvian state participation in Parex of about 85%. Later, the state holding in Parex was further increased to 95%. In April 2009, Latvia has attracted the EBRD as a strong reputable external investor: the EBRD concluded a share purchase	Ongoing	European Commission decisions NN68/2008, NN3/2009, N189/2009, N289/2009 and C26/2009.

	Description of Measure	Date	Source
	agreement, whereby the EBRD acquire 25% of the share capital of Parex. Parex has received short-term liquidity support of LVL 873 million, loans of up to LVL 200 million to address capital needs, and guarantees covering existing loans in the amount of EUR 775 million and new loans of EUR 275 million to refinance an existing loan. According to the final restructuring plan, the primary strategic objective is to return the bank to the private sector through its sale to a strategic investor providing a release of funding arrangements from the State while ensuring the long-term viability of the bank. On 1 August 2010, a new bank, *Citadele banka*, was registered and took over core and well-performing assets and operations of Parex. Parex retains impaired and non-strategic assets to be sold over time.		
	Latvia also continues to hold equity of the Mortgage and Land Bank of Latvia (LHZB), a state-owned development and commercial bank, resulting from two earlier capital injections of a combined amount of LVL 29.5 million. The recapitalisation sought to strengthen LHZB's capital base of the development activities; the bank's residual commercial activities will be phased out by 31 December 2013.		European Commission decision NN60/2009.
	Latvia continued to implement two schemes that it had established to assist companies – a national guarantee scheme and a guarantee scheme to companies – and slightly extended the scope of the latter scheme. Both schemes were initially established with a combined budget of LVL 600 million as part of a package of measures to support the economy.	Ongoing	European Commission decision N139/2009. European Commission decisions N124/2009 and N506/2009.
	In addition to the schemes, Latvia continued to provide a EUR 89 million state guarantee to *JSC Liepājas Metalurgs*, a steel manufacturer of strategic importance for the Latvian economy, to enable it to continue the modernisation of its installations.	Ongoing	European Commission decision N670/2009.
Lithuania			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 5 August 2010, Lithuania established a support package for Lithuanian Banks. The package comprises a guarantee and a recapitalisation scheme as well as a scheme to relieve financial institutions of impaired assets. The scheme is open to all credit institutions and branches operating in the Lithuanian market.	5 August 2010	European Commission decisions N200/2009 and N47/2010 as well as European Commission press release IP/10/1032.
	Lithuania continued to implement a framework scheme to assist the non-financial sectors and amended and extended the scope of the programme's beneficiaries. The scheme was initially established in June 2009 and enables Lithuanian authorities to provide guarantees to credit institutions for loans taken by SMEs and large enterprises until 31 December 2010. The State owned limited liability company INVEGA implements the programme, and losses that arise from INVEGA's guarantees are covered by the national budget. An amendment of the scheme that entered into effect on 13 November 2009 broadens the scope of potential beneficiaries to include measures for diversification into non-agricultural activities and measure to support business creation. The amendment also increases the initial budget of LTL 150 million by approximately LTL 196 million.	Ongoing	European Commission decisions N272/2009 and N523/2009.
	Lithuania also continued to implement a temporary aid scheme to support access to finance for the agriculture sector. The scheme came into effect on 1 February 2010 and ends on 31 December 2010.	Ongoing	European Commission decision N686/2009.

	Description of Measure	Date	Source
Luxembourg			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Luxembourg continued to contribute to a guarantee for Dexia that was jointly provided by Belgium, France and Luxembourg.		More details on the measure are available in the section on Belgium in this report on p. 13.
	Luxembourg continued to implement two aid schemes to support the real economy:		
	– Under the Temporary Aid Scheme for Economic Recovery (*Régime temporaire d'aides au redressement économique*), Luxembourg provides up to EUR 500,000 per undertaking to businesses likely to have a structural impact on the national or regional economy. The measure is scheduled to expire on 31 December 2010. At the inception of the scheme, Luxembourg allocated EUR 15 billion for the measure.	Ongoing	European Commission decision N99/2009.
	– Under a second aid scheme, the Temporary Guarantee Scheme for Economic Recovery (*Régime temporaire de garanties en vue du redressement économique*), the government extends subsidised credit guarantees to enterprises that are registered and operating in Luxembourg, with the exception of financial sector enterprises. A total amount of EUR 500 million is available for this scheme that is likewise scheduled to expire on 31 December 2010 and that is expected to benefit no more than 50 enterprises.	Ongoing	European Commission decision N128/2009.
Malaysia			
Investment policy measures	On 17 June 2010, Bank Negara Malaysia, Malaysia's Central Bank, awarded five new commercial banking licenses to wholly-owned subsidiaries of 5 foreign banking institutions – BNP Paribas SA, France; Mizuho Corporate Bank, Japan; National Bank of Abu Dhabi, United Arab Emirates; PT Bank Mandiri (Persero) Tbk., Indonesia; and Sumitomo Mitsui Banking Corporation, Japan. This award is part of the Government's liberalisation of the financial services sector announced on 22 April 2009. The package of measures included: raising of the foreign equity limits in investment banks, Islamic banks, insurance companies and Takaful operators to 70% from 49%; the granting of two new Islamic banking licenses and two new commercial banking licenses to foreign enterprises with specialised expertise; and approval for locally incorporated foreign commercial banks to establish 4 new branches from 2010 and 10 microfinance branches. The foreign equity limit for domestic commercial banks will remain at 30%.	17 June 2010	"Issuance of New Licenses", press release by Bank Negara Malaysia, 17 June 2010; "Liberalisation of the Services Sector", Prime Minister's Office press release, 22 April 2009
	On 18 August 2010, Bank Negara Malaysia announced three foreign exchange liberalisation measures, including: allowing residents to settle international trade in goods and services with a non-resident also in MYR; abolition of all limits on cross-border foreign currency inter-company borrowings, including the permission for resident companies to borrow unlimited foreign currency from their non-resident non-bank related company, in addition to their non-resident non-bank parent company; and abolition of the limit on anticipatory hedging for current account transactions with licensed onshore banks. This liberalisation leaves no threshold limits on hedging for current account transactions by residents with licensed onshore banks.	18 August 2010	"Liberalisation of the Foreign Exchange Administration Rules", Bank Negara Malaysia Press Release, 18 August 2010

	Description of Measure	Date	Source
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Malaysia continued to implement two guarantee schemes for companies in the non-financial sectors. The schemes, which were introduced as part of the second stimulus package announced in March 2009, entered into effect on 16 March 2009 and run until their respective budget ceilings of MYR 5 billion each have been reached, at most until 31 December 2010. The schemes are open to companies registered in Malaysia and are at least 51% owned by Malaysians:		
	– The Working Capital Guarantee Scheme (WCGS) is open to companies in all economic sectors with shareholder equity below MYR 20 million. The guarantee on commercial loans from participating financial institutions is provided by a Malaysian Government backed SPV. Guarantees are limited to aggregate financing of MYR 10 million per company.	Ongoing	Guidelines for the Working Capital Guarantee Scheme BHM/RH/N 008-2
	– Under the Industry Restructuring Financing Guarantee Scheme (IRFGS), guarantees are available for investments that increase productivity in high value added activities, such as R&D and downstream agricultural activities and investment in green technology. Guarantees of 80% of the loan amount are available for companies with shareholders equity not exceeding MYR 20 million, and companies with shareholders' equity exceeding this amount, the guarantee covers 50% of the loan amount. Guarantees cover loans of up to MYR 50 million per company with maturities of up to 10 years.	Ongoing	Guidelines for the Restructuring Financing Guarantee Scheme, Bank Negara Malaysia BNM/RH/NT 008-3.
	Malaysia continued to guarantee loans of an aggregate MYR 1.85 billion that it had granted under its SME Assistance Guarantee Scheme (SAGS). The scheme was open for applications from Malaysia-registered and majority Malaysian-owned SMEs between 3 February 2009 and 31 December 2009. Only companies with shareholders' funds below MYR 3 million that were not affiliates or subsidiaries of GLCs and PLCs could obtain guarantees of up to 80% for working capital loans, project financing and capital expenditure. The guarantee can be given for loans of up to MYR 500,000 with maturities of up to 5 years. Over 9,000 SMEs benefited from the scheme that had an overall budget of MYR 2 billion.		Bank Negara Malaysia Establishes RM2 billion SME Assistance Guarantee Scheme, Bank Negara Malaysia press release 01/09/06; "More than 9,000 SMEs Benefited from the RM2 billion SME Assistance Guarantee Scheme", Bank Negara Malaysia press release, 31 December 2009.
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Morocco			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Netherlands			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Netherlands continued to implement its guarantee scheme for the financial sector and prolonged a third time 31 December 2010. The scheme, which was initially established on 30 October 2008, enables the Dutch government to provide guarantees to financial institutions based in the Netherlands or having substantial operations in the country, including subsidiaries of foreign banks. The Dutch central bank assesses applications of the individual banks. The total budget of the guarantee scheme is EUR 200 billion. The scheme covers debt instruments with maturities between three months and three, later five, years. As of 1 September 2010, seven banks had obtained guarantees; total guarantees for EUR 43.5 billion were outstanding of the EUR 50.2 billion issued. Maturities reach into December 2014. No new guarantees had been given since 24 November 2009.	Ongoing	European Commission decisions N524/2008, N379/2009, N669/2009 and N238/2010. "*Rules of the 2008 Credit Guarantee Scheme of the State of the Netherlands*", version of 1 January 2010. "*Overzicht verleende guaranties*" as of 1 September 2010.
	In addition to these guarantees issued by the Netherlands under the guarantee scheme, the Netherlands continue to hold assets resulting from earlier capital injections into financial institutions, including the following:		
	– The Netherlands had granted ING a EUR 10 billion capital injection, EUR 12 billion of liquidity guarantees as well as an illiquid asset back-up facility covering 80% of a portfolio of USD 39 billion.		European Commission decisions C10/2009 and N627/2009.
	– As part of the process of restructuring ABN AMRO and Fortis Bank Nederland, the Netherlands had provided a capital injection, including a package of EUR 6.9 billion.		European Commission decisions C11/2009, N19/2010 and NN2/2010 as well as European Commission press release IP/10/138.
	– AEGON N.V had received a capital injection of EUR 3 billion in late 2008. The agreement on the transaction already includes provisions on the unwinding of the Netherlands' financial position.		European Commission decisions N569/2008 and N372/2009.
	The Dutch government continued to implement its framework scheme for limited amounts of aid for companies of the non-financial sectors. The scheme, which entered into effect on 1 April 2009, allows the provision of grants, interest rate subsidies, loans and public guarantees to SMEs or large companies. The aid can be granted in a decentralised way by authorities at national, regional and local level until 31 December 2010. The Netherlands estimate that between 50 and 100 companies would benefit from the scheme.	Ongoing	European Commission decision N156/2009.
	The Netherlands continued to implement a second temporary aid scheme under which support can be provided to undertakings in primary production of agricultural products. Under the scheme, which came into effect on 2 December 2009, the Minister of Agriculture, Nature and Food Quality can provide working capital guarantees. The budget for this measure is capped at EUR 2.81 million.	Ongoing	European Commission decision N611/2009.

	Description of Measure	Date	Source
New Zealand			
Investment policy measures	None during the reporting period		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 30 April 2010, New Zealand ceased to operate its Wholesale Funding Guarantee Scheme, initially established on 1 November 2008. The scheme was available to financial institutions that have substantial New Zealand borrowing and lending and have an investment-grade credit rating. Branches of foreign banks were eligible for the scheme, but only in respect of their NZD issuance. Future claims against the 24 guarantee certificates issued are possible since the existing guaranteed issues, covering NZD 10.3 billion of wholesale borrowing by banks, roll through to maturity.	Until 30 April 2010	"*Memorandum for Cabinet: Crown Wholesale Guarantee Facility: Implementing and Monitoring the Scheme*", Minister of Finance, 4 November 2008.
Norway			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	While Norway's State Finance Fund ceased to accept applications for recapitalisation measures on 30 September 2009, the Fund maintains assets acquired during its operation. Operational since15 May 2009 and established to strengthen the capital ratios of Norwegian banks, including those owned by foreigners, the Fund had a total capital of NOK 50 billion. The specific terms and conditions attached to the recapitalisation measures were determined in individual agreements between the Fund and the individual banks; 34 banks have applied for recapitalisation.		EFTA Surveillance Authority decision no. 205/09/COL; "*Norway presents new measures for industry and households*", Government press release 17/2009, 8 February 2009; "*Regulations relating to the Norwegian State Finance Fund*". "*The National Budget 2010 – A summary*", Royal Norwegian Ministry of Finance, October 2009, p.11.
	Norway continued to implement its temporary aid scheme for the non-financial sectors under which compatible aid of up to EUR 500,000 per firm may be granted until 31 December 2010 to businesses facing funding problems. The aid can be provided as direct grants, reimbursable grants, interest rate subsidies and subsidised public loans and public guarantees. The scheme is administered by Innovation Norway and entered into effect on 20 May 2009.		EFTA Surveillance Authority decision 235/09/COL.
Peru			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		

	Description of Measure	Date	Source
Poland			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Poland continued to implement two schemes for financial institutions established in Poland with a combined budget of up to PLN 40 billion in 2009:		
	– The first scheme, initially established on 25 September 2009 and later prolonged twice to run until 31 December 2010, allows the provision of temporary liquidity support for banks. The support scheme seeks to address the short- and medium-term financing needs of financial institutions established in Poland through State Treasury guarantees and State Treasury bonds-related support measures.	Ongoing	European Commission decisions N208/2009, N658/2009 and N236/2010.
	– The second scheme, a recapitalisation scheme for banks and insurance companies in Poland, came into effect on 21 December 2009 and has been prolonged until 31 December 2010. Under the scheme, any bank or insurance company established in Poland, including foreign-owned institutions may express their interest in participating in the scheme need to establish a remedial plan that must be approved by the Polish supervisory authority, *Komisja Nadzoru Finansowego*. Subject to the approval of this remedial plan, a financial institution can obtain a State Treasury's underwriting guarantee for up to 100% of planned capital increases. The State guarantee is only triggered if existing shareholders or third parties do not take up the whole or parts of the issue.	Ongoing	European Commission decisions N302/2009 and N262/2010.
	Poland continued to implement its scheme for granting limited amounts of aid to companies in the non-financial sectors. Under the scheme, which had come into effect on 17 August 2009 and was modified and extended in mid-July 2010, enterprises may obtain aid of up to EUR 500,000 in 2009 and 2010 combined. The modifications include an increase of the overall budget of the scheme to approximately PLN 3 billion.	Ongoing	European Commission decisions N408/2009, N22/2010, N50/2010 and N86/2010.
Portugal			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Portugal continued to implement its guarantee scheme and prolonged it until 31 December 2010. The guarantee scheme for credit institutions had initially been introduced on 29 October 2008. Credit institutions that are incorporated in Portugal, including subsidiaries of foreign institutions, are eligible to participate in the guarantee scheme. The total budget of the scheme is limited to EUR 9.1462 billion, down from initially EUR 20 billion. As of 31 December 2009, six financial institutions had benefitted from the scheme and guarantees for a total amount of EUR 4.950 billion were provided largely on debt with a 3-year maturity.	Ongoing	European Commission decisions NN60/2008, N51/2010 and N315/2010.
	Portugal also continued to implement its recapitalisation scheme and prolonged it until 31 December 2010. The	Ongoing	European Commission decisions N556/2008, N80/2010 and

	Description of Measure	Date	Source
	scheme was initially established on 20 May 2009. Under the scheme, any credit institution with a registered office in Portugal may apply for recapitalisation independently of its financial soundness. The overall budget for the scheme is now set at EUR 3 billion, down from EUR 4 billion at the inception of the scheme. Any recapitalisation measure carried out under the scheme must be unwound by 24 November 2011 or, exceptionally, by 24 November 2013. As of 20 November 2009, no recapitalisation operations were carried out under the scheme.		N314/2010.
	Portugal continued to guarantee – outside the abovementioned guarantee scheme – loans of EUR 450 million to *Banco privado portugues* (BPP), a bank fully owned by *Privado Holding SGPS* and not traded in a stock exchange. The guarantee was given on a loan provided by six major Portuguese banks on 5 December 2008. It has been allowed to suspend all its payments retrospectively from 1 December 2008. The guaranteed loan may only be used to reimburse depositors and other creditors.	Ongoing	European Commission decisions NN71/2008 and C33/2009.
	Portugal continued to implement its aid scheme that allows the allocation of limited amounts of aid to companies of any size in 2009 and 2010. The scheme came into effect on 19 January 2009 and permits authorities at central, regional and local levels to grant direct grants, reimbursable grants, interest rate subsidies, subsidized public loans and public guarantees. The aid per undertaking may not exceed EUR 500,000 in 2009 and 2010 combined. The total aid amount available under this scheme is estimated at EUR 750 million.	Ongoing	European Commission decision N13/2009.
Romania			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Romania continued to implement a temporary framework aid scheme, under which companies in the non-financial sectors of any size may obtain aid in the form of subsidised guarantees for investment and working capital loans. The scheme initially entered into effect on 5 May 2009 and is scheduled to expire on 31 December 2010. The guarantees are provided by the state-owned Export-Import Bank of Romania on loans provided by commercial banks to undertakings on behalf of the Romanian State. Guarantees may cover up to 90% of the loans. The Romanian authorities estimate that the guaranteed amount of loans will not exceed RON 450 million and the aid amount will not exceed RON 20.34 million in the period 2009-2010.	Ongoing	European Commission decisions N286/2009 and N173/2010.
	Romania also continued to implement a rescue aid scheme for companies in state ownership, i.e. companies that are part of the portfolios of the Authority for State Assets Recovery (AVAS) or the Ministry of Economy. The scheme entered into effect on 4 May 2009. Up to an estimated 50 SMEs, which are located in Romanian regions eligible for regional aid under EU rules, may obtain loans for a period of up to six months.	Ongoing	European Commission decision N129/2009.
	Romania continued to implement a third framework scheme for limited amounts of aid. The scheme, which came into effect on 3 December 2009, allows authorities at national, regional, and local level to provide to SMEs and large companies, including cooperatives aid, in particular direct grants, interest-rate subsidies, subsidised public loans, public guarantees, rescheduled public debt or waiving of interest rates. The value of the aid may not exceed EUR 500,000 per undertaking until the expiry of the scheme on 31 December 2010. The Romanian authorities	Ongoing	European Commission decision N547/2009.

	Description of Measure	Date	Source
	estimate that over 1000 firms will benefit from the scheme. Its overall budget is estimated at RON 950 million.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Russia continued to implement policies and programmes announced under the Anti-Crisis guidelines for 2010, which the Russian Government had issued on 30 December 2009. The guidelines stipulate that certain anti-crisis measures adopted in the Russian Government's Anti-Crisis Programme for 2009 will continue to be implemented throughout 2010 and new measures will be approved as necessary. The Anti-Crisis guidelines allocate RUB 195 billion to the implementation of the measures. The measures that Russia continues to implement include the following: – Russia continues to support "backbone" organisations, i.e. companies that have important impacts on the Russian economy and that are eligible for state support measures. An Interdepartmental Working Group allocates support in the form of capital injections, direct state support and state guarantees of loans to the 295 enterprises designated by the Government Commission on Sustained Economic Development as backbone organisations. – Russia continues to provide financial support to some large domestic companies, including car maker AvtoVAZ, United Aircraft Building Corporation, railway wagon producer Uralvagonzavod and Oboronprom industrial corporation. In late December 2009 the Government allocated RUB 28 billion to AvtoVAZ. An additional RUB 10 billion have been reserved for disbursement once the restructuring programme developed with and approved by shareholders for AvtoVAZ has been completed. This support to the company follows earlier allocations of RUB 37 billion to service the company's debts and RUB 5 billion to implement programmes to support and re-train workers. United Aircraft-Building Corporation will receive, in 2010, RUB 11 billion; Uralvagonzavod will receive RUB 10 billion. – Russia also allocated, for the whole of 2010, guarantees of RUB 80 billion to small businesses. In addition, RUB 100 billion have been allocated for loans for SMEs; this programme is implemented by the Russian Development Bank's partner banks. Productive and innovative companies are priority recipients of these support measures.	Ongoing	"The Anti-Crisis Guidelines of the Government of the Russian Federation for 2010", Protocol No. 42 of Russian Government meeting dated 30 December 2009; "Russian Government's Anti-Crisis Programme for 2009", 9 June 2009; Cabinet meeting record, 30 December 2009.
Saudi Arabia			
Investment policy measures	On 16 March 2010, Saudi Arabia's Capital Market Authority (CMA) announced its approval for Falcom Financial Services to offer an exchange-traded fund (ETF) of Saudi shares, which is accessible to non-resident foreign investors who have a bank account in Saudi Arabia. This ETF began trading on the Tawadul, the Saudi Arabian Stock Exchange, on 28 March 2010. The CMA approved a second ETF, also offered by Falcolm Financial Services on 21 June 2010. This second ETF offers exposure to the Saudi Arabian petrochemical sector, investing almost all assets in Shariah-compliant petrochemical companies listed on the Tadawul. The two ETFs constitute the first	16 March 2010	"CMA announces offering of Exchange Trade Fund", CMA release, 16 March 2010; "CMA announces offering of Exchange Traded Fund", CMA release, 21 June 2010.

	Description of Measure	Date	Source
	opportunity for direct foreign investment in the Tawadul, following liberalisation in August 2008 which allowed foreign investors to buy Saudi shares indirectly by means of "total return swaps" via licensed brokers in Saudi Arabia. The swaps do not give voting rights, but the decision allowed international investors to gain direct access to individual shares.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Slovak Republic			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Slovakia discontinued the implementation of its recapitalisation and guarantee scheme for financial institutions with the expiry of the scheme on 9 June 2010. Under the scheme, which came into effect on 8 December 2009, systemically relevant banks incorporated in Slovakia, including subsidiaries of foreign financial institutions could receive support, regardless of whether they were deemed to be fundamentally sound or distressed. Capital injections and guarantees were possible repeatedly and concurrently. Under the scheme's recapitalisation component, the Finance Ministry was allowed to make a capital contribution to the registered capital of a bank. Details are set out in individual agreements concluded between the Ministry of Finance and the respective beneficiary bank. The recapitalisation scheme had a total budget of EUR 664 million, half of which for use in 2009 and 2010, respectively. The guarantee component of the scheme, allowed the provision to financial institutions of guarantees for newly issued bonds and loans against a fee.	Until 9 June 2010	European Commission decision N392/2009.
	Slovakia extended and continued to implement its scheme for the granting of small amounts of aid to companies in non-financial sectors. The scheme, which initially entered into effect on 29 April 2009, allows authorities at national, regional, and local level to grant SMEs and large firms limited amounts of aid (up to EUR 500,000 per undertaking for 2009 and 2010 combined). The aid can be provided in various forms, including as direct grants, non-reimbursable grants and remission of penalties for non payment of taxes etc. The amendment that came into effect on 2 February 2010 expands the forms of aid that can be granted; they henceforth include remission of debts that firms may have at public creditors (e.g., tax authorities, health insurance, social insurance authorities, municipalities, etc.). The Slovak authorities estimate that aid worth not more than EUR 400 million will be granted under the scheme until its expiry on 31 December 2010.	Ongoing	European Commission decisions N711/2009 and N222/2009.
	Slovakia also continued to implement a temporary aid scheme to support access to finance for undertakings in primary agricultural production. The scheme came into effect on 21 December 2009.	Ongoing	European Commission decision N707/2009.

	Description of Measure	Date	Source
Slovenia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Slovenia prolonged and continued to implement its two support schemes for the financial sector. The overall budget of the two schemes is capped at EUR 12 billion. Institutions that participate in the scheme are subject to behavioural commitments, including limitations on expansion and conditions for staff remuneration or bonus payments. These schemes include:		
	– Under the bank guarantee scheme for the financial sector. Under the scheme, which was initially introduced on 12 December 2008 and prolonged a third time until 31 December 2010, Slovenian authorities may guarantee up to EUR 12 billion of debt issued by financial institutions that are incorporated in Slovenia, including Slovenian subsidiaries of foreign financial institutions. Four issuances of state-guarantees bonds for a total volume of EUR 2.2 billion had taken place until 18 June 2010.	Ongoing	European Commission decisions N531/2008, N331/2009, N651/2009 and N245/2010.
	– Under the liquidity scheme, likewise prolonged for a third time until 31 December 2010, the Slovenian state provides short and medium term non-subordinated debt for one to three years. The scheme initially entered into effect on 20 March 2009.	Ongoing	European Commission decisions N637/2008, N510/2009, N113/2010 and N321/2010.
	Slovenia also continued to implement three schemes to support the real economy. These schemes include:		
	– a national risk capital scheme to respond to the unavailability of risk capital investments into start-ups and small and medium-sized enterprises. The measure will run initially until end 2013 and dispose of a total budget of EUR 35.05 million;	Ongoing	European Commission decision N201/2008.
	– a scheme for subsidised state guarantees for investment and working capital loans concluded by 31 December 2010; the scheme was slightly modified in the reporting period;	Ongoing	European Commission decisions NN34/2009 and N105/2010.
	– a temporary aid scheme for granting limited amounts of compatible aid.	Ongoing	European Commission decision N228/2009.
South Africa			
Investment policy measures	On 1 March 2010, the Exchange Control Circular No. 5/2010, issued by the South African Reserve Bank on 17 February 2010, entered into effect. The circular allows South African banks to acquire direct and indirect foreign exposure up to 25% of their total liabilities.	1 March 2010	Exchange Control Circular No. 5/2010, South African Reserve Bank, 17 February 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	South Africa continued to provide assistance to companies in distress through the Industrial Development Corporation (IDC), a state-owned development finance institution. Over two years, ZAR 6.1 billion is available to address the challenges of access to credit and working capital for firms in distress due directly to the crisis; companies that do not offer the prospect of long-term viability are not eligible. At the end of September 2009, IDC had received 33 applications to the total value of ZAR 2.3 billion; about ZAR 1.5 billion concerned a few large applications in the automotive industry. By end-March 2010, applications to	Ongoing	IDC Presentation to Parliamentary Committee on Economic Development, dated 13 October 2009. Address by Mr Ebrahim Patel, Minister of Economic Development, 23 March 2010.

	Description of Measure	Date	Source
	the value of ZAR 1.1 billion had been approved.		
	On 14 April 2010, the Industrial Development Corporation (IDC) and the Unemployment Insurance Fund (UIF) launched a ZAR 2 billion fund from which companies promising to expand employment can borrow up to ZAR 100 million. Successful applicants will receive debt funding at fixed preferential rates. The Fund specifically targets start-ups and companies that require working capital for expansions or acquisitions.	14 April 2010	"*IDC and UIF announce R2 Billion fund to create employment*", IDC media release, 14 April 2010. "*UIF Fact Sheet*", undated.
Spain			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Spain continued to implement its bank guarantee scheme and prolonged it until 31 December 2010. The scheme initially entered into effect on 23 December 2008. It allows the provision of public guarantees for certain debt instruments of credit institutions, consolidated groups of credit institutions and pools of credit institutions, including subsidiaries of foreign credit institutions. The Scheme provides for State guarantees covering new issuance of debt instruments up to an amount of EUR 164 billion. As of 2 June 2010, guarantees for debt instruments for a total of EUR 54.2 billion had been issued.	Ongoing	European Commission decisions NN54b/2008, N336/2009, N588/2009 and N263/2010.
	Spain continued to implement the temporary scheme for the recapitalisation of the Spanish banking sector that it had introduced on 28 January 2010 and prolonged the scheme until 31 December 2010. The scheme authorises the *Fondo de Reestructuración Ordenada Bancaria* (FROB), a distinct legal entity, to acquire convertible preference shares from credit institutions to assist in their consolidation. The overall budget of the scheme is EUR 99 billion, EUR 9 billion of which are contributed by the State Budget and by the Deposit Guarantee Funds of commercial banks, savings banks and credit cooperatives, and the remaining EUR 90 billion by borrowing from the market. Both fundamentally and non-fundamentally sound credit institutions are eligible under the scheme. As of 23 July 2010, 25 saving banks had participated in the scheme, and the overall amount of capital injections subscribed by the FROB stood at EUR 10.1 billion.	Ongoing	European Commission decision N28/2010 and N317/2010.
	After Spain has discontinued the operation of the *Fund for the Acquisition of Financial Assets* (FAAF) on 31 December 2009, the Fund continues to hold assets for approximately EUR 19 billion that it has acquired from financial institution in four auctions in late 2008 and early 2009. Maturities of the assets are two and three years. The FAAF disposed of an allocation of EUR 43.25 billion to purchase assets from financial institution permanently established in Spain in reverse auctions.		European Commission decisions N337/2009 and NN54a/2008. The results and beneficiaries of the auctions are documented on the FAAF website.
	On 23 May 2010, Spain took *CajaSur* in public ownership as the result of a capital injection of EUR 800 million by the *Fondo de Reestructuración Ordenada Bancaria* (FROB). CajaSur also obtained a credit facility of EUR 1.5 billion.	23 May 2010	European Commission decision N202/2010.
	Spain continued to implement its temporary aid scheme for granting limited amounts of compatible aid (i.e. up to EUR 500,000 per undertaking for 2009 and 2010 combined) to companies of all sizes. The Spanish authorities estimate that the overall volume of aid under this scheme would be EUR 1.4 billion.	Ongoing	European Commission decision N307/2009.
	On 30 March 2010, Spain introduced an additional assistance scheme for the non-financial sectors. The		European Commission decisions N68/2010 and N157/2010.

	Description of Measure	Date	Source
	scheme permits granting subsidised guarantees for new initial investment and working capital loans until a guarantee ceiling of EUR 800 million. Guarantees can be granted to SMEs and large undertakings until 31 December 2010. Spain estimates that up to 500 enterprises may benefit from the scheme.		
Sweden			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Sweden continued the implementation of its bank guarantee scheme and prolonged the scheme for a third time until 31 December 2010. The guarantee scheme, initially established on 30 October 2008, authorises the National Debt Office to issue guarantees up to a maximum of SEK 1500 billion. Under the scheme, eligible institutions – banks and mortgage institutions incorporated and operating in Sweden, including Swedish subsidiaries of foreign institutions – may enter into an agreement with the state which in turn guarantees the institutions' new issuance of senior debt in exchange for a fee. In late May 2010, the volume of guarantees had fallen to SEK 212 billion, down from SEK 350 billion a year earlier.	Ongoing	European Commission decisions N533/2008, N26/2009, N154/2009, N544/2009 and N207/2010.
	Sweden discontinued its bank recapitalisation scheme on 17 February 2010. The scheme, which initially became effective on 10 February 2009, allowed Sweden to provide capital to eligible banks on equal terms with private investors, on the condition that at least 30% of the investment is made by private investors. SEK 50 billion of public funds were available for the scheme. By mid-2009, the Swedish Government has participated in the rights issue of only one bank, *Nordea Bank AB*. The government investment of approximately EUR 515 million was limited to maintaining the Sweden's pre-existing pro rata ownership share in Nordea (19.9%).	Until 17 February 2010.	European Commission decisions N69/2009 and N436/2009.
	Sweden concluded the unwinding and disposal of Carnegie Bank on 30 April 2010. Carnegie Bank had received a SEK 2.4 billion liquidity assistance in October 2008, and a loan of SEK 2.41 billion on 10 November 2008. The bank also benefits from a guarantee provided under the Swedish guarantee scheme (see above). Carnegie fell into state ownership on 10 November 2008 and was sold, on 19 May 2009, to a Swedish venture capital firm selected by auction. A significant number of domestic and foreign bidders were invited to participate in the auction. Sweden retains a risk position on a specific exposure.		European Commission decisions NN64/2008 and NN18/2010.
	Sweden continues to guarantee a EUR 400 million loan from the EIB to *Saab Automobile AB*. The loan was taken on 12 February 2010 to co-finance Saab's business plan in the light of its sale by General Motors, its previous owner, to Dutch carmaker *Spyker Cars N.V*. The loan has been taken to finance a project concerning research and engineering activities in 2009-2012 related to automotive fuel efficiency aiming at achieving CO_2 emission targets set by the EU Commission and safety.		European Commission decision N541/2009; "*EIB loan to Saab*", EIB press release, 12 February 2010.
Switzerland			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The UK discontinued its Government Credit Guarantee Scheme (CGS) as well as the recapitalisation scheme on 28 February 2010. The schemes had initially come into force in October 2008, were modified in December 2008 and were prolonged in April and December 2009. UK-incorporated financial institutions, including subsidiaries of foreign institutions with substantial business in the UK, were eligible for the scheme. The limit on guarantees was set to GBP 250 billion, and GBP 50 billion were initially set aside for recapitalisation. As of 27 November 2009, the implementation of the schemes had led to government guarantees of debt to an amount of GBP 133 billion under the CGS, and as of 8 June 2009 the UK held GBP 14.7 billion in capital of financial institutions, down from GBP 37 billion in mid-April 2009.	Until 28 February 2010	European Commission decisions, N507/2008, N650/2008, N193/2009, N537/2009 and N677/2009.
	The British government continued to hold financial positions it had taken in banks as the financial crisis unfolded. Restructuring of these banks—Northern Rock, Lloyds HSOB, Royal Bank of Scotland, and Bradford&Bingley—which had come under state ownership following significant state support, moved forward as these banks began divesting as mandated in their respective restructuring plans. Thus the British government held equity in the following banks, administered by UK Financial Investments Ltd (UKFI):		"*UK Financial Investments Limited (UKFI) Annual Report and Accounts 2009/10*", UKFI, 26 July 2010.
	– The two entities that resulted from the split of former Northern Rock on 1 January 2010 remained in government ownership. Northern Rock entered into public ownership as it had received government support including recapitalisation measures of up to GBP 3 billion, liquidity measures of up to GBP 27 billion and guarantees covering several billion GBP. The operational part, Northern Rock plc, is planned to be sold to a third party, while Northern Rock (Asset Management) plc, a "bad" bank holding illiquid assets, will run down past loans and eventually be liquidated.	Ongoing	European Commission press release IP/09/1600.
	– On 24 March 2010, UKFI announced the merger of Northern Rock (Asset Management) plc with the	24 March 2010	"*UKFI Announcement on Northern Rock (Asset Management) plc and*

	Description of Measure	Date	Source
	likewise publicly owned Bradford & Bingley plc, an entity that holds public-owned illiquid assets of former Bradford & Bingley, a former bank that had been split, partly sold and liquidated in September 2008.		*Bradford & Bingley*", UK Financial Investments press release, 24 March 2010.
	– While Royal Bank of Scotland (RBS) continued to divest parts of its business in the reporting period as required under the restructuring plan that the European Commission had approved on 14 December 2009, the British government continued to hold, as of June 2010, 83.18% of RBS. This equity holding results from capital injections of over GBP 45 billion and guarantees of more than GBP 280 billion from the British Government.	Ongoing	European Commission decisions N422/2009 and N621/2009.
	– The British government continued to hold a 41% stake in Lloyds Banking Group that results from earlier financial assistance. In line with the restructuring plan for the bank that the European Commission accepted on 18 November 2009, Lloyds divested certain assets during the reporting period.	Ongoing	European Commission decision N428/2009.
	The British Government continued to implement its four temporary framework schemes that it had established in February and May 2009 to support companies in the non-financial sectors. These schemes are set to expire on 31 December 2010. Three of the schemes allow authorities at national, regional, and local levels the granting subsidised public loans, loan guarantees and interest rate subsidies for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The overall budget for the three schemes combined is GBP 8 billion. The fourth framework scheme, which allows the provision of direct grants, reimbursable grants, interest rate subsidies, and subsidised public loans in 2009 and 2010 combined, has a separate budget envelope of up to GBP 1 billion. UK authorities estimate that the number of beneficiaries of the schemes exceeds 1,000 firms.	Ongoing	European Commission decisions N257/2009 and N460/2009; European Commission decision N71/2009; European Commission decision N72/2009; European Commission decision N43/2009.
	On 29 March 2010, the UK introduced an additional framework scheme that allows the provision of small amounts of compatible aid to primary agricultural producers. The scheme is available until 31 December 2010.	29 March 2010	European Commission decision N71/2010.
	The British Government continued to provide to banks, under the Working Capital Guarantee Scheme, guarantees covering 50% of the value of portfolios of working capital loans with less than 12 months to maturity. These guarantees release regulatory capital for the banks. Participating banks were required (through lending agreements) to increase lending on commercial terms to SMEs and mid-sized corporate UK businesses. Under the Working Capital Scheme all UK banks were offered guarantees up to a total of GBP 10 billion. Two banks obtained guarantees to cover GBP 2.2 billion of loans totalling GBP 4.4 billion. In November 2009 it was announced that new guarantees would not be available under the Working Capital Guarantee Scheme as similar government support had become available through the broader Asset Protection Scheme. Existing Working Capital Scheme guarantees expire on 31 March 2011 at the latest.	Ongoing	European Commission decision N111/2009.
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures	The US Government continued to implement certain components of the Troubled Assets Relief Program	Ongoing	"*Troubled Assets Relief Program (TARP), Monthly report to Congress*

	Description of Measure	Date	Source
with potential impacts on international investment	(TARP), established pursuant to the Emergency Economic Stabilization Act of 2008 (EESA). Some elements of TARP were adjusted and others discontinued. The authority to make commitments under TARP will expire on 3 October 2010, following an extension of 9 December 2009. The overall budget of TARP was revised to USD 475 billion, down from USD 700 billion originally authorized. As of 31 August 2010, USD 460 billion had been committed, USD 386 billion had been paid out, and USD 199 billion had been repaid. Operations related to the TARP components were as follows:		*is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – August 2010; *Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 24; "*TARP Repayments Reach $181 Billion*", Government Press Release, 5 April 2010.
	– Treasury continued to receive repayments and to dispose of assets acquired under the Capital Purchase Program (CPP). The programme was designed to strengthen the capital bases of US banks as the Treasury bought stock or warrants from individual institutions ranging from USD 300,000 to USD 25 billion. The programme ran from October 2008 until 31 December 2009. The total amount of commitments under the programme was almost USD 205 billion, and 707 US financial institutions benefitted from the scheme. During the reporting period, Treasury continued to receive repayments on the investments. As of 10 September 2010, total outstanding investment stood at USD 55.1 billion, and USD 147.5 billion had been repaid. As of 31 March 2010, Treasury had also disposed of warrants from 47 banking organizations. On 31 August 2010, Treasury continued to have investments in 618 financial institutions, after 80 institutions had fully and 11 partially bought back the capital and thus exited from the scheme. Eleven banks had exchanged Treasury's investments into the Community Development Capital Initiative.		*TARP Transaction Report 14 September 2010* for period ending 10 September 2010; *Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008 – August 2010*, 10 September 2010; "*Warrant Disposition Report, Update June 30, 2010*", Treasury publication.
	– Treasury also began disposing of its stock in Citigroup. At least around 3.28 billion of its approximately 7.7 billion shares of Citigroup had been sold by 31 August 2010 through a sales agent.		*"Treasury Announces Plan to Sell Citigroup Common Stock"*, Treasury press release TG-615, 29 March 2010; *TARP Transaction Report 14 September 2010* for period ending 10 September 2010.
	– By 20 April 2010, New GM had fully repaid USD 6.7 billion of loans that the company had received from the United States (through the *Automotive Industry Financing Program* under TARP) and Canadian and Ontario governments. The US Government continues to hold a 60.8% stake in New GM after it had converted loans to GM to equity on 10 July 2009. Treasury also holds USD 2.1 billion of preferred stock. An initial public offering to dispose of the common stock is expected to take place by the end of 2010. As of 31 March 2010, the Treasury also had approximately USD 1 billion in outstanding loans to Old GM. As of 31 December 2009, Treasury also owned 9.9% of the equity in New Chrysler and had USD 5.1 billion of loans outstanding to New Chrysler. Treasury also has outstanding loans to CGI Holding LLC (USD 3.5 billion) and Old Chrysler (USD 1.9 billion). The Treasury department periodically evaluates both public and private options to exit the equity investments in these companies.		*TARP Transaction Report 14 September 2010* for period ending 10 September 2010, p. 18; "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – August 2010; *Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 46.
	– At the end of April 2010, the Automotive Supplier Support Program expired as planned, after GM Supplier Receivables and Chrysler Receivables had repaid the drawn loans of USD 290 million and USD 123 million, respectively. The programme, under which Treasury provided loans to auto suppliers to ensure that such suppliers received compensation for their services and products had a maximum aggregate limit of USD 3.5 billion.	Until end-April 2010.	*TARP Transaction Report 14 September 2010* for period ending 10 September 2010; *Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 47.

	Description of Measure	Date	Source
	– Treasury continues to hold a stake of 56.3% in GMAC a bank holding company providing automotive finance, mortgage operations, insurance and commercial finance. The Treasury also holds USD 11.4 billion of mandatorily convertible preferred stock and USD 2.7 billion of trust preferred securities in GMAC. The holdings result from the conversion of existing government investments under the Capital Assistance Program (CAP) and an additional investment under the Automotive Industry Financing Program (AIFP) that took place on 30 December 2009.		"*Treasury Announcement Regarding the Capital Assistance Program*", Treasury press release, 9 November 2009; Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 5; *Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 47; *TARP Transaction Report 14 September 2010* for period ending 10 September 2010, p. 18.
	The US Treasury (i.e. the general fund for US taxpayers) continues to be the beneficiary of a trust (the Series C Trust) that holds securities with approximately 79.8% of the voting rights of the common stock in AIG that result from investments in AIG that were initially carried out through the Federal Reserve Bank of New York (FRNBY) in September 2008; as well as credit facilities provided since September 2008. Special governance provisions apply to the Series C Trust: The FRBNY has appointed three independent trustees who have the power to vote the stock and dispose of the stock with prior approval of FRBNY and after consultation with the US Treasury Department. In addition, the US Treasury Department also holds preferred shares of AIG. On 1 April 2010, Treasury exercised its rights pursuant to those shares to appoint two directors to the AIG board of directors.		"*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010; "*Treasury Names Two Appointees to AIG's Board of Directors*", Treasury press release, 1 April 2010.
	The Treasury has set out principles for the exercise of its voting rights in New GM, New Chrysler, GMAC and Citigroup (other arrangements apply to AIG, see above). These include that Treasury does not intend to participate in the day-to-day management of any company in which it has an investment. Treasury intends to exercise its right to vote only on four matters: board membership; amendments to the charter and bylaws; liquidations, mergers and other substantial transactions; and significant issuances of common shares.		*Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 51. "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010, p. 18; Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 5.
	Treasury and the Federal Deposit Insurance Corporation (FDIC) retain USD 5.2 billion of trust preferred securities of Citigroup, as well as warrants. These assets result from a loss-sharing agreement between the Treasury, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank of New York and Citigroup Inc. that was terminated on 23 December 2009. The agreement had originally covered a pool of USD 301 billion in assets.		Termination Agreement, 23 December 2009.
	The US also continued to grant support to companies in the non-financial sectors under the American Recovery and Reinvestment Act of 2009, notably as grants for energy efficiency and renewable energy property.	Ongoing	American Recovery and Reinvestment Act, 2009; "*Implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act)*", Treasury website.
European Union			
Investment policy measures	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The EU limits and controls Member States' aid to industries or individual companies under the EU competition policy framework of the Common Market as set out in articles 107-109 TFEU (previously articles 87-89 of the TEC). This regime seeks to avoid distortions of competition that could result from State aid intervening in	Ongoing	

	Description of Measure	Date	Source
	the economy. The specific situation of the financial crisis and its impact on the real economy has led the European Commission to temporarily adapt the EU State aid policies in order to enhance Member States' flexibility for their response to the crisis. These modifications concerned first the financial sector—from autumn 2008 onwards—and, subsequently, from December 2008 on, the real economy.		
	Financial sector		
	The European Commission continued to review guarantee and recapitalisation schemes that EU-member States notified or re-notified to the Commission. As set out in its earlier Communications, the Commission's approval of such schemes is limited to 6 months, requiring EU-member states to re-notify the schemes periodically if they wished to extend them. This requirement enables the Commission to ensure consistency and effectiveness; impose adjustments to the schemes, in particular in light of issues raised by Member states or other parties; and eventually withdraw approval of state aid once conditions that warranted them have abated. The regular reviews of the schemes that are publicly available and include an assessment of the operation and application of the schemes. The Commission carries out formal investigation procedures that involve a thorough review of the compatibility of the overall support that individual financial institutions had received with the restrictions imposed on state aid. The reviews constitute an element of the framework in place to control and limit discrimination of competitors and distortion of market conditions. The Council of the European Union has also agreed on common principles for exit strategies for the financial sector. It formulated agreed principles for the design of exit strategies and unwinding financial support schemes by EU-member states that are planned to start in 2011 at the latest.	Ongoing	*Communication from the Commission - The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis*, OJ C270, 25 October 2008, p. 8; *Communication from the Commission—the recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition*, OJ C 10, 15 January 2009, p. 2; *Communication from the Commission on the treatment of impaired assets in the Community banking sector*, OJ C72, 26 March 2009, p. 1; "*Communication from the Commission on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules*", OJ C 195, 19 August 2009, p. 9. "*DG Competition's review of guarantee and recapitalisation schemes in the financial sector in the current crisis*", p. 2. *Conclusions of the Council of the European Union* (document EUCO6/09 dated 11 December 2009), paragraphs 9-11, referring to the Conclusions of the Council of the European Union (ECOFIN) (document 17066/09 dated 3 December 2009).
	Automotive sector and cross-sectoral measures		
	The Commission also continued to assess the compliance of member governments' support to the real economy with the state aid and internal market rules. The benchmark for assessment continue to be the standards that the Commission set out in its Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis. The framework was initially adopted on 17 December 2008 and slightly amended on 25 February 2009, 28 October 2009 and on 8 December 2009, and is applicable from the day of its adoption until 31 December 2010. This Framework temporarily relaxes State aid restrictions based on article 107(3)(b) TFEU (formerly article 87 EU-treaty). Among other goals, the control of measures under the Framework seeks to ensure that state interventions in restructuring deals were not dependent on commitments concerning the location of production within the EU.		*Temporary framework for State aid measures to support access to finance in the current financial and economic crisis* (2009/C16/01), OJ of 22 January 2009. A consolidated version, taking into account amendments adopted on 25 February 2009 (*Communication from the Commission—Amendment of the Temporary framework for State aid measures to support access to finance in the current financial and economic crisis, and applicable from 25 February 2009 onwards*) was published in OJ C83 of 7 April 2009.

Annex: Methodology – Coverage, definitions and sources

Reporting period. The reporting period of the present document is from 16 February to 15 September 2010. An investment measure is counted as falling within the reporting period if new policies were prepared, announced, adopted, entered into force or applied during the period. That certain policies had been under development before the financial and economic crisis unfolded does not prevent it from being included in this inventory.

Definition of investment. For the purpose of this report, international investment is understood to include all international capital movements, including foreign direct investment.

Definition of investment measure. For the purpose of this report, investment measures by recipient countries consist of those measures that impose or remove differential treatment of foreign or non-resident investors compared to domestic investors. Investment measures by home countries are those that impose or remove restrictions on investments to other countries (e.g. attaching restrictions on outward investments as a condition for receiving public support).

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take investment measures to safeguard essential security interests and public order. The investment policy community at the OECD monitors these measures to help governments adopt policies that are effective in safeguarding security and to ensure that they are not disguised protectionism.

Emergency measures with potential impacts on international capital movements. International investment law also recognises that countries may need flexibility in designing and implementing policies that respond to crises. For example, the OECD investment instruments provide for derogations to liberalisation commitments "if its economic and financial situation justifies such a course of action" but imposes time limits on such derogations and asks members to "avoid unnecessary damage" to others.[5] The emergency measures, which in practice focus mainly on financial services and automobiles, include: *ad hoc* rescue and restructuring operations for individual firms and various schemes that give rise to capital injections and credit guarantees. Several emergency schemes that provide cross-sectoral aid to companies were adopted and these are included in the inventory.

A large number of crisis related measures was taken during the reporting period. However, the report defines measures in a manner that takes into account the need to keep the size of the report manageable, a fairly narrow definition of emergency measure has been used. The report classifies an "*emergency or related measure with potential impacts on international investment*" as: any measure that a government has identified as having been enacted to deal with the crisis; and that may have a direct or indirect impact on foreign investment and that may differentiate between domestic and foreign or non-resident investors,[6] or that raises barriers to outward investment. This includes programs that permit rescues or restructuring of individual firms, or lending, guarantees or other aid schemes for individual companies. In addition, the measures must be expected to have an impact on international capital flows (e.g. schemes that influence the pattern of entry and exit in globalised sectors such as automobiles and financial services).

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

- *Fiscal stimulus.* Fiscal stimulus measures were not accounted for unless these contained provisions that may differentiate between domestic and foreign or non-resident investors.
- *Local production requirements* were not included unless they apply *de jure* only to foreign firms.

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5 See article 7 paragraphs a., d. and e. of the OECD Codes of Liberalisation.

6 The existence of differentiation does not itself imply discrimination against foreign or non-resident investors or investment.

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

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

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