OVERVIEW OF POTENTIALLY TRADE RESTRICTIVE MEASURES IDENTIFIED BETWEEN 2008 AND END 2015

May 2016

This document updates the overview of trade restrictive (and trade facilitation) measures that has been published regularly by the European Commission's Directorate-General for Trade since 2008 as part of its Reports on the Monitoring of Potentially Trade-Restrictive Measures ("Protectionism Reports", in particular Annex 2 of these reports). The updates provided in this document cover the period 1.7.2014-31.12.2015 and are highlighted in bold if they concern newly adopted (or rolled-back) measures and in italics, if they concern draft measures introduced during this period. These measures are analysed in a separate Commission Report to the European Parliament and the European Council, planned to be issued in late spring 2016.

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1 The last (11th) "Protectionism Report" was published on 17 November 2014 (see: http://trade.ec.europa.eu/doclib/docs/2014/november/tradoc_152872.pdf). These Protectionism Reports complement similar biannual WTO trade monitoring reports on G20 trade measures, with the aim to monitor the implementation of global anti-protectionism commitments.
I. BORDER MEASURES

Algeria:

- On 30 November 2008, Algeria introduced measures restricting imports of a certain number of products such as drugs, allegedly in order to protect the local pharmaceutical industry. Accordingly, a foreign-manufactured medicine cannot be imported if the same medicine is produced by at least three manufacturers in Algeria in quantities satisfying the market demand. An order of 8 May 2011 modified the original regulation, which introduced a de facto import ban on pharmaceutical products. The list of drugs banned for imports in Algeria, as established in November 2008, initially included 358 products of all categories, resulting in repetitive market deficiencies since the ban was enforced. 59 new products were added to the list, while 160 were removed from the original list. Around 300 types of medicines & medical devices remain formally banned from importation.

- The Algerian Decree (Décret exécutif n° 10-89), issued on 14 March 2010 and complemented by Decree 13-85 of 6 February 2013, making the exemption of import duties (zero tariffs) within the framework of the EU-Algeria Association agreement dependent on the issuance by the Algerian trade authorities of a licence statistique, remains in place, although, since January 2015, it is no longer necessary to include a EUR1 certificate to obtain this licence. For memory, this procedure, allegedly designed to collect statistics, obliges importers to apply for a license before importing the products into Algeria. To obtain this licence, they must present a series of legal and fiscal documents to the Directions régionales du commerce attesting the European origin of the product.

- The Financial Law of 2014 introduced new quantitative restrictions on imports, notably for second-hand equipment, which may be imported only in the absence of local production of similar equipment.

- The Financial Law 2014 also introduced new measures which could potentially hinder trade to a significant extent. The most important of these measures are: a discriminatory registration tax on new vehicles, levied exclusively on imported vehicles to the exception of those manufactured locally; an obligation to import a certain number of vehicles using LPG; as well as several fiscal advantages for locally manufactured goods or for local producers. However, certain of these provisions remain to-date de facto suspended until implementing measures (statutory instruments) are adopted by the relevant Ministries or the Government. Thus, the practical effect of these measures to-date is still difficult to gauge.

- The note 16/DGC/2009 of the Bank of Algeria, dated 16 February 2009, introduced a requirement to supply certification documents with each delivery of goods to Algeria. The certification requirement concerns quality control and control of origin of the goods, as well as phytosanitary safety. This measure was annulled through a note of 24 March 2011. However in the course of 2015 customs administration in collaboration with the antifraud services of the ministry of Trade started applying systematic controls to imported products (mainly consumer goods); this delays significantly the import procedures and acts as a deterrent against foreign imports.

- A number of individual measures, which cannot be traced down to any general provision but signal nonetheless a consistent trend, have targeted, starting from beginning-2015, several imported products, notably cosmetics, foodstuff, feedstuff, detergents. A large number of consignments of these products have been routinely blocked at ports and subject to new checks (phytosanitary, fraud-related and other unspecified) which take several months without the importer's being informed of the reasons and expected duration of such checks. In certain cases, consignments are blocked at ports indefinitely and perishable goods are no longer marketable. Complaints lodged by the operators
remain usually without any reply and no reasons are given to justify these measures. In certain instances (also reported by the press), importers have been informed of an unofficial list of 25 products (mainly falling within the above-mentioned categories) which would be subject to import bans or future import licences.

- Law 15-15 of 15 July 2015 enables the Government to introduce quantitative restrictions in the form of import licences, in order to safeguard certain public interest objectives (e.g. the protection of financial stability). On the basis of this Law, Executive Decree 15-306 of 6 December 2015 brings in a system of non-automatic import licensing resulting in quantitative restrictions for certain products (vehicles, cement, concrete).

Argentina:

Import Licences:

- While the Prior Sworn Importer Declaration system (known as 'DJAI') was revoked (for goods) by General Resolution 3823/2015-AFIP of 22.12.2015, a new system of "Comprehensive System of Imports Monitoring" (SIMI) was implemented in the same Resolution, and completed by the establishment of Automatic and Non-Automatic Licenses (NALs) through Resolution 5/2015-MP on 23.12.2015. NALs are foreseen for some 1400 tariff lines.

- Updates of "reference prices / values", which refers to customs valuation figures adopted in 2001 (currently regulated by Resolution Nº 2730/2009) in order to prevent under-invoicing, covering today more than 1,000 imported products considered sensitive. These products may be subject to control for imports valuation, if originating in specified countries. The list of covered tariff lines have been continuously updated through numerous Resolutions, and include among others textiles, shoes, leather products, electronic products, parts, toys, chemicals, household articles, tyres, iron and steel products. From October 2008 until June 2014, there have been more than 110 amendments of this list (for the full list of measures, please refer to previous reports). From July 2014 until December 2015, reference prices were established for 5 new tariff lines:

  - General Resolution 3650/2014-AFIP: for clutch parts (HS 8708.93) from several origins (21.07.2014)
  - General Resolution 3752/2015-AFIP: for certain safety glasses (HS 9004.90) from Asian countries (19.03.2015)
  - General Resolution 3753/2015-AFIP: for certain fittings for furniture (HS 3926.30) from Latin American countries (19.03.2015)
  - General Resolution 3784/2015-AFIP: established criteria value for imports of certain valves (HS 8481.80) from several origins (06.07.2015) from Asia and some European Countries.
  - General Resolution 3812/2015-AFIP: for imports of percussion musical instruments (HS 9206.00) from Asian countries (20.11.2015)

- Since 15 October 2008, Argentina implements the legislation adopted in September 2007 on increase of the external Mercosur tariff on textiles and footwear to 26-35% (depending on the product).
In October 2008, controls of all imports were increased with the stated objective of "preventing commercial fraud" in the context of the global financial turmoil. The customs administration also sent alerts to increase border controls for sensitive goods.

Specific duty to laminated steel from Korea, South Africa, Australia and Taiwan applies since 19 November 2009.

In December 2009, MERCOSUR countries raised the common external tariffs on a number of items including some dairy products (tariff rise from 11% to 28% ad valorem), some textile (14% to 18%) and some bags, backpacks and suitcases (18% to 35%).

Import ban on food products, introduced through an informal note 232 of the Secretary of Internal Trade, applicable since 7 May 2010 through non-issuance of certificates of free circulation by the National Food Institute. All importers were required to obtain approval from the Secretary of Internal Trade. The measure was reportedly aimed at restricting food imports in order to protect Argentina's balance of payment surplus.

Resolution 9/2012-MEyFP and 4/2012-SIC appointed the competent authority to manage the newly-created register of producers, distributors and traders of wood pulp and newspaper paper, who will need to report the import and export operations as from 1 February 2012.

Decree 2149/2012-PEN – Transposed into national legislation the Mercosur Decision Nº 37/11 that temporarily allowed import tariffs above the Mercosur Common External Tariff (CET) for certain toys, until end December 2012 (14.11.2012). The MERCOSUR measure was subsequently extended and Argentina adopted these measures, the last time by Decree 2166/2015 of 03.11.2015, until end 2021.

Decree 25/2013-PEN - Approved a list of 100 additional, temporary, exceptions to the Mercosur CET, in line with Mercosur Decision Nº 39/11. Almost all of the new tariff lines were set at 35%. The exceptions were effective from January 24th, for 12 months, or could be renewed until end 2014 (23.01.2013). In 2014 Argentina extended the application of these exemptions for another year, based on Mercosur Directive Nº 8 (28.03.2014). The extension of these additional 100 exceptions until end 2021 was allowed by MERCOSUR Decision 27/2015 of 16 July 2015.

Decree 491/2013-PEN – Transposed into national legislation MERCOSUR Decision Nº 38/2012, which extended the application of the temporary tariff rate of 28% on imports of certain dairy products until end 2014 (HS 0402.10, 0402.21, 0402.29, 0402.99, 0404.10, 0406.10 and 0406.90). The MERCOSUR measure was subsequently extended and Argentina adopted these measures, the last time by Decree 2166/2015 of 03.11.2015, until end 2023.

Decree 492/2013-PEN – Transposed into national legislation MERCOSUR Decision Nº 39/2012, which extended the application of a temporary tariff rate of 35% on imports of prepared peaches until end 2014 (HS 2008.70). The MERCOSUR measure was also subsequently extended and adopted by Argentina, the last time by Decree 2166/2015 of 03.11.2015, until end 2023.

Decree 2646/2012-PEN – Modified the regime to import used capital goods (established by Resolution 909/1994). Such goods can be imported definitively as long as they are reconditioned or reconstructed, either at origin or destination (09.01.2013).

In June 2013, the Ministry of Economy adopted Resolution 248/2013 and implementing regulation 99/2013, which modified the process of submission of the Sworn Declaration of Composition of Product, required since 1996 to trade national or imported textile and footwear
products. In the case of imported products, this Sworn Declaration must now be submitted through the customs electronic system SISCO. The declaration will be subject to a review by several governmental entities associated to the system. Such entities can introduce “observations” in the system with respect to the declaration, establishing the status of the declaration as “observed”. Until the time those observations are removed, no importation of the good can take place. As a consequence the importer would need to start a new application mentioning the previous observed request. The measure entered into effect on 15 July 2013.

- In January 2014, AFIP issued General Resolutions 3579 and 3582/2014, limiting purchases by mail or courier abroad to two per year, and up to a total value of 25 USD. Above those limits, shipments have to enter the country as a regular import, following the regulations of the General Imports Regime, and will be subject to a 50% tax. They are also made subject to the requirement of an online sworn declaration.

Belarus:

- With Decision of the Council of Ministers of the Republic of Belarus No 658 of 4 August 2015 Belarus introduced strengthened quality control on imported construction materials and products. The regulation imposes inter alia a requirement to obtain a certificate for each single delivery of goods imported into Belarus. Such restrictions do not apply however to the CIS countries, being a party of the FTA as of 18 October 2011.

- With Resolution of the Council of Ministers No. 666 dated August 6, 2015 “On the Introduction of Changes and Additions to the Resolution of the Council of Ministers of the Republic of Belarus dated the 17th of February, 2012 No. 156” Belarus introduced changes in the administrative procedure concerning hygienic examination in imports. According to the provisions of this Directive, every batch of certain imported products is subject to a sanitary-hygienic examination. According to Decision No 47 of the Deputy Minister of Health, Chief State Sanitarian of the Republic of Belarus of 10 September 2015 the new regulation refers to a wide list of products (including, among others, food, children goods, perfumes, cosmetics, personal hygienic products, household chemicals, household goods, food industry equipment, furniture, construction materials).

Brazil:

- Brazilian government raised on 26 August 2009 the import duty on lauryl alcohol and stearyl alcohol, which are used in the production of cosmetics, from 2 to 14% (bound WTO tariff is 35%).

- On 27 December 2010, Brazil increased import tariffs for toys certain dairy products (ex 4002, from 16 to 28% ex 4004, ex 4006) canned peaches (ex 2008) from 14 to 35% (HS ex 9503) from 20 to 35%.

- On 12 May 2011, Brazil introduced non automatic import licences on automobiles and auto parts. In accordance with the WTO import licensing agreement, licenses are applicable erga omnes and are intended to be issued within the mandatory 60 day period.

- Brazil has tightened its procedures for imports of textiles and clothing since 2011. This is part of an operation defined as “Panos Quentes III” (warm cloth III), which foresees stricter customs controls. Textiles and clothing imports are now passing through the grey and red customs procedures, which means that goods are subject to physical inspection and samples can be subject to tests in laboratories. As a result, time for imports to be liberated could take as long as 90 days (+ 90 additional days if need be). Additionally, a higher number of certificates being requested by customs authorities. It is a response to alleged fraud in declarations of origin, mainly in the context of triangular trade practices denounced by industry.
On 6 September 2011, Brazil included ceramic tiles in the list of exceptions to the Mercosur Common External Tariff (extension of the list of exceptions was announced as part of the Plano Brasil Maior), and increased the applicable duty for imports from 12 to 35% (HS 6907).

On 12 December 2011, Brazil extended both the main and additional 100 tariff lines exceptions to the Mercosur Common External Tariff (CET) until December, 31 2015. At the Mercosur summit in December 2011, Brazil was allowed to increase import duty rates to a maximum of 35% on other 100 tariff lines. The increase applied as of October 2012 and could remain effective until December 2015. A temporary CET exception list of new import duties on 100 tariff lines was adopted by CAMEX resolution 70/2012 of 28 September 2012. The Resolution has expired on September 2012.

In December 2012, Brazil renewed the application of the increased external Mercosur tariff of 55 % on canned peaches codes 2008.70.10 and 2008.70.90 until the end of the year 2014. The canned peaches product code 2008.70.90 was removed from the list of the CET exemptions and as of 8 July 2014 the tariff went back to 35%.

In February 2013, Brazil launched a public consultation (CAMEX resolution 12/2013 of 7 February 2013 in line with Mercosur decision CMC 25/2012) to identify from 366 tariff lines a list of 100 tariff lines as temporary exceptions to the Mercosur Common External Tariff (CET). Mainly tariff increases were proposed. This would be the second temporary CET exception list of 100 tariff lines after CAMEX resolution 70/2012 of September 2012 (next to the main 100 tariff exceptions). The public consultation exercise did not lead that time to an additional increase of tariffs.

On 29 December 2011, Brazil maintained the import duty rates for certain dairy products (28%), canned peaches (35%) and toys (35%) through to 31 December 2012. It was extended subsequently until the end of December 2014. This increase was consequently prolonged until 30 June 2015 by the CAMEX Resolution 129/2014 of 16 December 2014 and then until 31 December 2023 (for diary and canned peaches) and 31 December 2021 for toys by the CAMEX Resolution 72/2015 of 15 July 2015.

On 15 September 2011, Brazil announced the introduction of a 30% tax increase on automotive products exempting products with more than 65% local content and enough local production processes as well as products from Mercosur and Mexico originally until the end of December 2012. These measures that constitute part of a comprehensive INOVAR AUTO programme are supposed to stay in force until the end of 2017.

On 3 July 2014, Brazil included in the list of 100 exceptions to the Mercosur Common External Tariffs the following 6 products, which resulted in tariff increases: from 10% to 20% for hydrogenated castor oil (classified under code 1516.20.00 of the Mercosur Common Nomenclature); from 4% to 20% for white mineral oils (code 2710.19.91); from 10% to 20% for hydrogencarbonate (code 2836.30.00); from 2% to 20% for ricinolic acid (code 3823.19.00); from 14% to 20% for machining centers (code 8457.10.00); and from 14% to 20% for speed changers, including torque converters, reducers, multipliers, and gear boxes (code 8483.40.10). Moreover, Brazil removed from the list of exceptions to the Mercosur Common External Tariff rates 6 items, as a result of which the import tariff increased for 2 items: from 2% percent to 16% for instruments, apparatuses, and models, designed for demonstrational purposes (code 9023.00.00: Ex 001 and 002) and from 0% to 4% for joint cement (code 2910.25.23).

On 1 October 2014, Brazil increased import tariffs for gypsum plasters (ex 2520) from 4% to 20% and for articles thereof (ex 6809) from 10 to 25 by Camex Resolution 87/2014 of 26 September 2014. On 8 July 2014, Brazil increased import tariffs for: certain vegetable fats and oils (ex 1516) from 20 to 20%, certain mineral oils (ex 2710) from 4%
to 20%, sodium bicarbonate (ex 2836) from 10 to 20%, for certain acids (ex 3823) from 2% to 20% and for machining centers (ex 8457) from 14 to 20%. The increases were introduced by Camex Resolution 54/2014 of 4 July 2014.

- New PRS 72/10 approved by the Senate April 24, 2012, sets a single rate of 4 per cent in the ICMS applicable to imported products State intermediate transactions. Domestic industry would not pay this surcharge. It has entered into force on the 1.1.2013.

- INMETRO is intervening in non-automatic licensing and inspection of imported products, with the creation of new taxes on imports, on grounds of safety issues and now also on protection of health and the environment, as well as the prevention of fraudulent commercial practices. Thereby, a new body is now active in non-automatic licensing, a new inspection at the border is created and a new rate is to be paid for these new services.

- In May 2015, the Chamber of Deputies approved a new draft law that mandates inspection and analysis for pesticide residues, toxins and pathogens for all unprocessed or semi-processed agricultural and livestock products imported into Brazil. This obligation, applicable to imported products only, would be introduced summarily and across the board, without any risk analysis or scientific justification. As of December 2015 the law was under appreciation by the Federal Senate.

- On 24 October 2015, Brazil has prolonged validity of the List of Permanent Exceptions to the Mercosur’s Common External Tariff beyond 31 December 2015, until 31 December 2021. The list allows Brazil to either increase or decrease tariffs for up to 100 tariff lines in relation to the Mercosur’s CET. This prolongation was introduced by Camex Resolution 92 of 24 September 2015.

- On 11 November 2015, Brazil increased import tariffs for acrylic acid (ex 1916) from 2 to 10% and for sodium polyacrylate (ex 3906) from 2 to 12% by Camex Resolution 109/2015 of 11 November 2014.

China:

- The Ministry of Finance released the Circular on Suspending the Policy of Tariff Reduction and Exemption on Imported Taxable Products in the Trade Remedy Measures. It entered into force on 1 May 2009.

- MOFCOM Notice 97/2013 of 31 December 2013 imposed non-automatic import licensing upon certain chemicals, machinery and electrical goods, as well as ships and boats.

- In February 2014, China has imposed a country-wide ban on pigs and pig products from Poland due to outbreaks of African Swine Fever hereby not recognising the very strict surveillance and control measures put in place in the well-defined affected area in Poland. The EU strict control measures in the disease affected area are in line with international standards and guarantee that trade of pigs and pig products from Poland can continue to take place in a safe manner. Despite the international obligation for China under WTO Agreements to recognise this concept of disease-free area, China maintains in place a country-wide ban on polish products which is more trade-restrictive than necessary and against WTO rules. Following a field visit by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) to Poland in June 2015, China pointed out that new cases are still detected and therefore still maintained the country-wide ban. The EU urged China to lift and apply zoning principle in line with WTO rules.

- From 15 October 2014, China re-imposed import duties for 5 coal products at a range of 3% to 6%. The HS code of the 5 products are: 27011100, 27011210, 27011290, 27011900,
27012000 and the tariffs are 3%, 3%, 6%, 5%, 5% respectively. Since 2007, no duties were imposed on these products. This decision by the world's biggest coal producer and consumer will trigger a sharp reduction in coal imports from Australia, the United States and Russia. The decision comes after a sharp fall in domestic coal prices and huge losses reported by coal producers due to production cuts and mounting wage bills. China imported around 160 million tons of coal, with a total value of $12.67 billion, during the first six months of the year, according to customs data. From 2002 to 2012, China's coal industry experienced the so-called Golden 10 Years when coal prices kept rising. The high profitability also attracted many new investors to the coal-mining sector. However, with concerns mounting over issues like air pollution, the government decided to shut small-scale coal mines and upgrade production technology to improve the environment. This, in turn, prompted many companies to expand production capacity to avoid being eliminated, making the overcapacity problem even more severe in the industry. Since 2012, the country's coal prices have started declining due to shrinking demand from steel mills and power stations. The rising coal imports also added to the woes of domestic companies.

- China's 2015 Tariff Implementation Plan came into effect on January 1, 2015. Most-favoured-nation rates of duty are set as follows: (1) Provisional tariff rate shall be imposed on some imported commodities such as fuel oil; (2) Specific duty or compound duty shall continue to be imposed on photographic materials and other 45 commodities (see Appendix 2), and HN RLD LED (HS 37024321) shall be subject to ad valorem taxation at the rate of 10%. (3) Tariff quota management shall continue to be implemented over commodities under 47 tariff items of 8 categories, such as wheat and the tariff rates shall remain unchanged. Specifically, the in-quota tariff rate for three types of fertilizers, namely urea, compound fertilizer and ammonium dibasic phosphate, shall continue to be a 1% provisional tariff rate and a sliding duty shall be imposed on a certain amount of cotton imported above the quota. (4) Customs inspection and management shall continue to be carried out on information and technological products under 10 tariff items which are not taxed at the full rate; (5) Other most-favoured-nation rates of duty shall remain unchanged. Import tariffs for natural rubber were raised.

- With effect from February 1, 2015, an import consumption tax is levied on batteries (with the exception of lead-acid batteries) and coating materials at the applicable tax rate of 4%. Mercury-free primary batteries, nickel-metal hydride batteries (also known as "NiMH" or "Ni–MH" batteries), lithium primary batteries, lithium-ion batteries, solar cells, fuel cells, vanadium redox flow batteries, and coating materials whose volatile organic content is not more than 420g/litre under construction conditions are exempted from import consumption tax. With effect from January 1, 2016, import consumption tax shall be levied on lead-acid batteries (tariff codes: 85071000 and 85072000) at the applicable tax rate of 4%.

- On June 9, 2015, MOF, General Administration of Customs, and State Administration of Taxation published policies on import taxation in the Pilot Free Trade Zones in Guangdong, Tianjin, and Fujian. Import and consumption taxes are required for products produced, processed and sold to the Chinese mainland in the Custom Special Monitoring Area of the Free Trade Zones. In addition, the products should be taxed according to their imported parts or actual declaration situation. Moreover, under import and export taxation policies, the three newly-launched Pilot Free Trade Zones are allowed to establish bonded presentation and exchanging platforms.

Ecuador:

- The Government's Executive Decree 367 introduced, from 1 June 2010, new tariffs for footwear, 10% ad valorem and a specific tariff of 6 USD. Executive Decree No. 372, in force
since 1 June 2010, set the tariff on clothing and textiles at 10% ad valorem plus a specific tariff of USD 5.50/kg.

- COMEX Resolution no. 17 of 2 August 2011, modified with Resolution no. 24 introduced a system of non-automatic licences for importation of products such as mobile phones, vehicles and tires, with the aim of restricting imports to protect national industry. There are indications that the objective of the licence is to limit imports of certain products by as much as 20%.

- Resolution N. 299 of 14 June 2013 established non automatic import licence regime for various food products: meat, butter, cheese, potatoes.

- Comex Resolution 116 of 19 November 2013 established new quality control measures for the importation of a list of products subject to previous import controls and requests the submission of a Certificate of Recognition issued by the Ecuadorian authority for standardisation (INEN). This resolution annexes a list of 293 products including cosmetics, toys, toothpaste, meat, cereals, among others. The list was extended to four new products on 14 January 2014.

- MIPRO Agreement 14114 of 24 January 2014 established the Operators Registry whereby all importers (compulsory) have to register their imports with the Ministry of Industry and Productivity. In addition those agreements established a "volunteer reduction" in business imports of 25% or 30% compared to the imports registered in year 2013 and with the commitment of replacing those items with local purchases or by producing them locally (application of quota system).

- Resolution 049/2014 adopted on December 28/2014 and in force since January 1st 2015, prolonged the validity of Resolutions 65 and 66 of 2012, and 011/ 2014 till Dec. 31st 2015. These resolutions introduced a system of quantitative restrictions for imports of cars and car parts intended for assembly in Ecuador. The import reduction of cars in Resolution 049 is 52% for 2015. This Resolution did not exempt EU cars and EU spare parts.

- Organic Law for Incentives to Production and Prevention of Fiscal Fraud adopted on 29th December 2014 and in forced since Jan. 5th 2015, modified the base for the Special Tax Consumption (ICE). Since then the ICE must include the ex-custom value (operation costs and profits) increasing substantially the prices by 25%-30% particularly for alcoholic beverages, car, ceramics among others. Clearly this law discriminates importers against local producers. In addition this law eliminated tax reduction to hyper-processed food and materials for publicity.

- Presidential Decree 400 adopted on July 14, 2014 determining the mechanism to fix the prices of medicines. The median consists in dividing a segment of medicines in two groups with the same number of samples, provoking the fall of prices of drugs above the median while those under the median may maintain their prices or even increase their prices up to that median.

- Presidential Decree 522 published in the Official Journal of 15 January 2015 establishing that once a patented drug has expired, those medicines should be registered and commercialized obligatorily as generics thus the generic name should appeared over the name of the producer.

- Balance of Payment Safeguard in force since 11th March 2015: This universal and general safeguard is applied to 32% of the imported products or 2,962 tariff lines in the ranges of 5% to 45% for a 15 month period. This measure is under current review of WTO.
• In October 2015, Authorities presented to WTO a calendar of gradual dismantling of the balance of payment as of Jan 2016 for those items under 45% of overcharges. The measure should be eliminated completely by June 2016. But other mechanisms to restrict imports are being analysed as the tax stamp. The first 192 items with the 5% reduction was announced at the end of December 2015.

• As of August 2015, the Authorities confirmed orally that imports from the EU are unlimited except for vehicles, as these were under a different quota regime. Therefore, imports from the EU were not any longer deducted from the total quota assigned in the volunteer contracts signed in 2014. However importers are still obliged to report all their imports in the Operators Registry – ROP for statistics purposes only. No complaints of import restrictions were reported except in September –October 2015 with frozen fried potatoes but more due to delays in approvals of imported licences, a problem solved in October by the respective authorities.

• On 30 December 2015, Comex issued the Resolution 050/2015 eliminating the assignment of quotas per distributor and established instead a global quota for imports of vehicles during 2016 to USD 656m. The objective is to promote the participation of new actors in the imports and commerce of vehicles in the country. The global assignment is equally divided in 4 quarters. Distributors with more financial capacity will benefit more from this mechanism than those who request loans i.e.

Egypt:

• In March 2013, Egypt increased MFN applied tariffs to bound levels for approximately 100 luxury products and products with a local equivalent. These measures do not apply to preferential partners, including the EU.

• On 16 February 2014, Ministerial Decree No. 105 banned the imports of motorcycles and tricycles for 1 year, and the import of their components for 3 months. Decree No. 417 issued on 26 May re-allowed the import of motorcycles and tricycles for private or personal use, as well as the import of components used for producing those vehicles (engines – chassis), but the import of the three-wheeled vehicles (tuk-tuks) and motorcycles for trading purposes remains suspended.

• In October 2014, the Egyptian Customs authorities issued price list directives for several car manufacturers according to which, they started to refuse the transaction value indicated in the commercial invoices for cars of these manufacturers and instead apply the German retail prices as a baseline for their tariff calculation for these passenger cars, which increases costs for the Original Equipment Manufacturers (OEMs).

India:

• India is increasingly using import licences at the discretion of the authorities to limit imports of sensitive products. On 21 and 24 November 2008, less than one week after the G20 declaration on standstill, several products were moved from the “free” to the “restricted” list of imports involving import licences. Steel products were also put on the list of restricted imports, for which an import licence is requested. The experience – especially in the tyres sector - shows that the licensing system is not automatic: it involves delays; authorised quantities can be lower than requested; and the granting of licences is limited to actual users. Meanwhile, India moved work clothing and other worn articles to the restricted list on 19 May 2010 through Notification 43/2009-14. It emerges that six items still remain in the
restricted list: electrical energy, medium density boards (3), elastomeric and worn clothing and other worn articles.

- Through Notification 09/2009-2014 dated 10 September 2009 India moved electrical energy (2716 00 00) to the restricted list. In this case, import licence would be issued by the Directorate General of Foreign Trade (DGFT) in consultation with the Ministry of External Affairs, Ministry of Power and Department of Power. However, imports for Special Economic Zones (SEZs) would be 'free'.

- On 24 March 2011, India adopted a new definition for Completely Knocked Down (CKD) kit (HS 8703) which resulted in an increase of import duties from 10% to 30% for pre-assembled engines, gearboxes and transmission mechanisms. **In May 2015, India increased import duty on import of commercial vehicles from 10% to 40%. An effective Basic Customs Duty (BCD) rate of 10% has been prescribed on commercial vehicles when imported in a CKD kit. All such vehicles when imported in any other form will attract BCD of 20%. However, electrically operated vehicles – including in CKD condition – for transport of persons would continue to attract 10% import duty.**

- On 5 March 2012, India imposed an export ban on cotton, which was lifted on 12 March 2012. Exporters however remained under the obligation to register their export contracts with the Directorate General of Foreign Trade (DGFT, part of the Commerce Ministry). The notification lifting the export ban also stated that the issuance of new registration certificates (which are required for the export) "stands suspended until further orders". On 9 April 2012, an informal Group of Ministers chaired by Finance Minister Mukherjee decided that the Government will in fact not accept fresh export contract registrations, but will allow pending exports on the basis of those contracts for which registration requests had been made before 5 March. Therefore, and in practical terms, the export ban was effectively turned into an export quota.

- On 16 March 2012, the draft Union budget has been presented to the Parliament by Finance Minister Pranab Mukherjee. The budgetary proposals included the following tariff increases:
  
  - The concessional rate of 5% of basic customs duty was extended to six lifesaving drugs/vaccines and their bulk drugs used in the manufactures of said drugs.
  
  - The basic customs duty on flat-rolled products of non-alloy steel whether or not clad, plated or coated falling in headings 7208, 7209, 7210, 7211 and 7212 was increased from 5% to 7.5%. **In 2015, Basic Customs Duty (BCD) on iron and steel and articles of iron or steel was increased from 10% to 15%. However the existing effective rates of BCD on these goods has been retained. Through a notification dated 12 August 2015, India revised duties on iron and steel ranging between 5% and 12.5%.**

  - The basic customs duty on Completely Build Units (CBUs) of motor vehicles (cars) falling under HS 8703 with FOB value of more than US$ 40,000 and with engine capacity of more than 3000cc for petrol-run vehicles and more than 2500cc for diesel-run vehicles was increased from 60% to 75%.²

  ² At the same time, the increase of excise duty on diesel driven cars with length exceeding 4000mm and engine capacity under 1500 cc has also been announced, from 22% to 24% and on diesel driven vehicles having length exceeding 4000mm and engine capacity exceeding 1500 cc from 22% + Rs.15,000 to 27%. It should be added that excise duties are levied equally on domestic and foreign products and hence with no discrimination.
The basic customs duty on bicycles in fully built condition as well as in form of CKD/SKD (Semi Knocked Down) kits was increased from 10% to 30%.

The basic customs duty on bicycle parts and components was increased from 10% to 20%.

- In the Budget 2013-14, basic customs duty on new passenger cars and other motor vehicles (high end cars) with Cost, Insurance and Freight (CIF) value more than US$ 40,000 and/or engine capacity exceeding 3000cc for petrol run vehicles and exceeding 2500 cc for diesel run vehicles has been increased from 75% to 100%.

- Basic customs duty on new motorcycles with engine capacity of 800cc or more has been increased from 60% to 75%.

On May 13 2013, through notification A.P. (DIR Series) Circular No. 103 the Reserve Bank of India (RBI) imposed restrictions on gold import on consignment basis by banks, only to meet the genuine needs of exporters of gold jewellery. This restriction was extended through notification A.P. (DIR Series) Circular No.107, on June 04, 2013, to all nominated agencies/premier/star trading houses having been permitted by Government of India to import gold. Accordingly, the notification stated that any import of gold on consignment basis by both nominated agencies and banks shall be permissible only to meet the needs of exporters of gold jewellery. On May 31, 2013, the Central Board of Excise and Customs announced an increase in import tariff value of gold to $459 per 10 gram from $440 per 10 gram in April, 2013. On June 05, 2013, Government of India raised the rate of customs duty on import of gold by 2 per cent to 8 per cent as outlined in notification No. 31/2013. In January, 2013, the Government of India had already raised the gold import duty to 6 per cent, an effective six-fold increase from last year.

- Concerning the authorisation of exports from the EU of plants, plant products, animal and animal products, during 2014-2015 Indian authorities continue to delay decisions on a series of applications made before 2014. The requests cover 15 products from 6 Member States.

- Through a Customs notification dated 8 July 2013 import tariffs on sugar were increased from 10 to 15%. On 21 August 2014, India increased import tariff on sugar to 25% and on 30 April 2015, it further increased it to 40%. On 1st May 2015, import of raw sugar under Duty Free Import Authorisation scheme was withdrawn with immediate effect.

- On 7 August 2015, an import duty of 10% was imposed on wheat. On 19 October 2015, the same duty was increased to 25%, applicable until 31 March 2016.

- Through a Customs notification dated 28 June 2013 specific tariff values have been fixed for imports of certain kinds of vegetal oils, poppy seed as well as areca nuts.

- Through a Customs notification dated 13 August 2013, the additional duty on gold ores and gold dore bar was increased to 8% and on silver dore bar to 7%. Similarly, the basic customs duty on gold bars, gold coins, silver in any form, including ornaments and platinum was increased to 10%.

- Through a Customs notification dated 20 December 2013, India increased the specific element of the combined import tariff on certain products of natural rubber from 20 Rs/kg to 30 Rs/kg. On 30 April 2015, India increased the basic customs duty on natural rubber to 25%. The specific duty remains unchanged.
• Through a Customs notification dated 17 September 2013, the basic customs duty on articles of jewellery and parts thereof, on articles of goldsmiths’ or silversmiths’ wares and parts thereof, of precious metal or of metal clad with precious metal was increased to 15% whereas the import duty on half-cut or broken diamonds, cut and polished diamonds including lab-grown diamonds and coloured gem stones was increased to 2.5%.

• Through a Customs notification dated 20 January 2014, India increased import duties of certain vegetable and animal fats and derivatives from 7.5% to 10%. On 18 September 2015, India took the decision to raise by 5% import duties on crude edible oil (from 7.5% to 12.5%) and on refined edible oil from 15% to 20%. This is still within the bidding rates, but still a measure dictated by protectionist intents in a bid to safeguard the domestic industry.

• Customs Notification No 11/2014 of 11 July 2014 removed four groups of ICT products (e.g. LTE equipment and different switches) claimed not to be falling under the Information Technology Agreement (which is contested by industry) from the effect of duty exemption as introduced under Customs Notifications No 24/2005 of 1 March 2005 and No 132/2006 of 30 December 2006, effectively imposing a 10% basic customs duty on these products.

• In addition, to the stimulus packages introduced by the new Foreign Trade Policy in 2015, a new measure has been introduced in 2015. In particular, through Finance Act 2015, the Schedule Basic Duty on Bituminous Coal was increased to 10%. However, the effective rate is at 2.5%.

• Through Notification 21 dated 14 September 2015, India restricted import of apples through a single port (Mumbai).

• The Customs Notification 49/2015 of 5 October 2015 imposed a temporary import duty of 40% on ghee, butter and butter-oil, applicable until 31 March 2016.

• The security certification of telecom equipment within India in respect of License amendment dated 31.05.2011 was extended for security related concerns for expansion of Telecom Services in various zones of the country (ILD/NLD Licence amendments dated 31.05.2011). By notification of 31 July 2015, the requirement of security certification of telecom equipment has been extended further by twelve months from 1st April 2015 to 1st April 2016.

Indonesia:

• Minister of Trade Regulation 23/2011 restricts the import of dangerous materials. Imports can only be done by BPI, a state owned company, or by a regular company if the materials are to be inspected at the port.

• Ministry of Finance Decree No. 19/2009, adopted on 13 February 2009, raised import tariffs on some products that were competing with locally manufactured products. These include products such as milk, animal or vegetable oils, fruit juices, coffee and tea, chemicals, silver, steel, electronic products (machines, TVs etc.), as well as manufactured products: packaged juices (10 to 15%), instant coffee (5 to 10 %), iron wire (7.5 to 10%), wire nails (0 to 12.5%) and electrical and non-electrical milling machines (0 to 7.5%). At the same time certain tariffs were reduced, mainly on inputs needed for local manufacturing (e.g. dairy products and base chemicals). Finance minister decree 213/2011, effective January 2012, has changed for the better some of the tariffs: packaged juices (15% to 10%), instant coffee (10% to 5%).
On 22 December 2010, Minister of Finance issued Regulation No. 241/2010, which stipulated import duties for farming products, fishery, pharmaceuticals, manufacture, agro-industry, etc. Regulation No. 241/2010 was the fourth amendment to Regulation No. 110/2006 on Classification of Products and Import Duty Tariffs Imposition, which had been revised by Minister of Finance Regulation No. 80/2011 in April 2011. The new tariffs – mentioned in the bullet above - have been included in Finance Minister Decree 213/2011.

By ministerial decree PMK 80/2011, the government raised import duties for eight food items i.e. airtight containers of fish (herrings, sardines, tunas, and mackerel) and sugar confectionary (chewing gum, medicated sweet and white chocolate) to 10 percent from 5 percent to “protect local downstream industries from an invasion of imports of such products”. PMK 80/2011 also stipulates that tariffs of 25 non-food goods (manufacturing raw materials and capital goods) were reduced to zero over the period of April to December 2011, and then most of them returning again to 5 percent as of 1 January 2012. In December 2011 Finance Minister issued decree PMK 213/2011, effective January 2012, which kept the import duties of those selected food items at 10%.

Decree 56/2008, which entered into force on 15 December 2008, imposed burdensome requirements on imports of over 500 products. Imports are subject to licenses, must undergo pre-shipment inspection and can only enter the country through six seaports and international airports. Affected sectors include clothing and textiles, electronics, toys, footwear and food and beverages. It became effective for clothing and textiles on 1 January 2009 and for other products on 1 February 2009. In December 2010, decree 57/2010 was adopted prolonging the former decree 56 for two more years until 31 December 2012. The measure has been extended by Decree 83/2012 for three more years until 31 December 2015. Priority Lane status was removed from the new Decree, which constitutes an additional burden. Trade Minister Regulation 61/2013 on the Provision of Import of Certain Products issued on 30 September 2013 revised Reg. 83/2012. It contained several revisions, of which: a change to the verification or the import technical inspection regime, which now must also encompass the verification of the SPPT SNI (Product Certification Number of Indonesia's National Standard Marking) for products subject to mandatory SNI; and the Certificate of Analysis where required; and a removal of the exclusion of cosmetics from products subject to verification or import technical inspection, hence cosmetics imports have now to be equipped with a Surveyor report. Furthermore a new provision states that a Surveyor Report has to be included as a complementary document also for cosmetics imports starting from 1 January 2014. BPOM (The Indonesian Food and Drugs Agency) has implemented a strict inspection process on the imported cosmetics. The implementation requirement concerning the Surveyor report – under which the requested documents are similar to those requested by BPOM and customs officers - constitutes a duplication of processes.

Ministry of Trade Decree 8/2009 (08/M-DAG/PER/2009) states that 200 iron and steel products can only be imported by licensed importers and that all shipments undergo a pre-shipment inspection. The Decree 8/2009 was updated by Decree 21/2009, which reduced the amount of HS codes included in the regulation from 203 to 169 HS codes. Ministry of Trade has appointed two surveyors (PT Sucofindo and PT Surveyor Indonesia) to conduct the pre-shipment inspections. The revised Decree 21/2009 eliminates the requirement to submit Goods Import Plan in the application by an importer-producer (IP) or an importer (IL) for importation of iron and steel products (a requirement present in the Decree 8/2009). Furthermore it enlisted the industries excluded from the scope of the Decree: (i) the industries of automotive, electronics, ship building, heavy equipment and their components, (ii) importers in Priority Lane: user industry with SKVI (Industry Verification Reference Letter) through USDFS (User-Specific Duty Free Scheme), and the company owning SKVI through BM-DTP (Import Duty Paid by the Government); and (iii) contractor of Joint Operation in Oil & Gas and Mining; the operator of development of Power Plant for Public Interest; and the operator of the development of Oil and Gas downstream for Public Services. Decrees 8/2009
and 21/2009 were extended for two more years by decree 54/2010 until 31 December 2012. The measure has been extended by Decree 08/2012, enforced from January 2011 to December 2015.

- Ministry of Finance Regulation 101/2009, which entered into force on 1 June 2009, imposed a 5% duty on imported raw materials for processed milk products (milk powder and processed milk). The stated objective is to promote the milk produced by domestic dairy cattle farmers as lobbied for by the Association of Indonesian Dairy Cattle Farmers, affected by low prices on international market. The milk producers’ association urges the Government to raise the import duties on dairy products further from 5%. European exporters of milk products have been reporting on the increasing difficulties with imports to Indonesia, such as delivery of a questionnaire filled by European veterinary authorities. In September 2009, also other countries such as the United States and New Zealand also received requests to complete the country and establishment approval process.

- Import conditions for sugar remain unclear and restricted. Ministry of Trade decides on an annual importation quota and an annual 'importation period', when refined crystal sugar can be imported. The decision is made upon consideration whether the domestic sugar production is first fully used. In 2009, white crystallized sugar can only be imported two months after the end of sugar cane milling season and a month before the milling season begins. In 2008, the Ministry of Trade only allowed imports of sugar during 3 months instead of previously promised 6 months. Imports of sugar are only allowed for registered importers, and to become one a company needs to absorb at least 75% of sugar cane farmed in Indonesia.

- A pre-shipment inspection and reporting requirements on imports of non-hazardous waste were introduced by the Ministry of Trade Regulation nr 26/2009 of 23 June 2009 (which amends a Regulation 58/M-DAG/PER/12/2008). It entered into force on 24 September 2009. An independent surveyor appointed by the Minister would conduct inspections of non-hazardous waste at the port of entry before being admitted to the Indonesian territory.

- Regulation 40/2009 of 15 September 2009 (amended by Reg. 71 dated 23 November 2012) introduced pre-shipment inspections and reporting on imports of sheet glass. All sheet glass (except for certain categories, such as samples or goods for technical research etc.) shall be technically verified in the country of origin. Furthermore, the verified containers need to be sealed and marked with labels.

- In November 2009, the Minister of Marine Affairs and Fisheries announced a ban on shrimp imports in order to protect local companies. The measure would specifically target vannamei shrimps from the US. It was established in a joint Ministerial Regulation between the Ministry of Trade and Ministry of Marine Affairs and Fisheries, No. 26/M-DAG/PER/6/2010 dated 23 June 2010. Shrimps with HS codes 0306.13.00.00 and 0306.23.30.00 are completely banned from being imported to Indonesia and all other types of shrimps can only be imported through certain ports (5) and airports (4).

- Law Nr 7 on Trade was adopted on 11 March 2014. The law strengthens supervision and control over the circulation of goods, mandates the government to impose import and export restrictions of goods for national interest, and provides discretionary powers to the government and parliament to review and/or annul international trade agreements. The law is likely to also create uncertainty for operators and further market access concerns for foreign industry - the law and its implementing regulations may cause further trade restrictions that could affect: retail companies (local content requirement), and non-food manufacturers/importers.

- MoF Regulation No. 147/2011 on bonded zones removes import duties on capital goods, raw materials and intermediary goods produced in the zones. Bonded zones promoted efficient
production and increased the competitiveness of local products overseas by providing incentives, such as the removal of duties levied on capital goods, intermediary goods and raw materials. The regulations would encourage producers to export their products instead of selling them at home. The 2011 Regulation was amended by Regulation 44/2012; stipulating a significant change related to the sale of products from the bonded zones to domestic customers. Regulation 44/2012 allows capital goods which were imported prior to the issuance of Regulation 147/2011 to be delivered from a bonded zone area to customs areas. The 2012 Regulation increased the limits to the domestic delivery of produced goods to 50% but only up to 31 December 2012, provided that such goods would be further processed and are not directly used by end consumers (intermediate goods). MoF Regulation 120/2013 further allowed the temporarily selling of 50% of goods domestically. Likewise, the Ministry of Industry's (MoI) Reg. 4/2014 issued on 21 January 2014 allows companies in Bonded Zones to sell for more than 50% of the total value of products sold in the previous years, after approval by Customs and Excise authorities and a recommendation from the MoI.

- The Minister of Trade Reg 48/2011, dated 29 December 2011, on the imports of used capital goods allows the imports of 306 used capital goods (but not scrap), classified under HS 84 and 85 (machinery and electrical equipment), 87 and 88 (transportation), and 90 (health device/equipment). Used capital goods can only be imported by a direct user, reconditioning, remanufacturing, and health equipment supplier companies. Every importation of the specified goods shall obtain an approval from the MoT. The approved goods to be imported are subject to a technical inspection by a Surveyor in the country of origin. As of early 2012, businesses wishing to import used capital goods need to obtain a recommendation from the Ministry of Industry before they may import used capital goods (Ministerial Regulation 14/2012). The regulation has expired on 31 December 2013, and a new Minister of Trade regulation nr. 75/2013 has been issued, effective 1 Jan 2014 to 31 December 2016. Ministry of Agriculture Regulations 88, 89, and 90/2011, as well as 03/2012 restrict the entry and exit points of agricultural products, implement testing at the border for fruits, vegetables and cereals, and requires pre-approval of imports from the Ministry of Agriculture. Most notably, it closes Jakarta port Tanjung Priok for horticultural imports redirecting imports to the nearest port in Surabaya forcing the supply of imported products to be distributed from there. This is likely to increase the cost of imported foods falling within this category, as well as decrease the quality due to the extended transport time. These regulations, which follow previous versions and were recently updated by Ministry of Trade regulation 16/2013 cover Food Safety Supervision of Imports and Exports of Fresh Food Originating from Plants (PSAT) and apply to fruits, vegetables, and cereals. The imports of certain fruits, vegetables, and cereals shall: (a) be equipped with a safety certificate/document of PSAT and a description of PSAT (prior notice) from the country of origin; (b) pass through designated entry points; and (c) be reported and submitted to a Plant Quarantine Officer at an entry point for testing of chemical contaminants, biological contaminants and prohibited chemicals. The exports shall: (a) be equipped with certificates or documents explaining the condition of PSAT in compliance with the requirements of a destination country, issued by an accredited testing laboratory, accredited certification agency, or other competent authority; (b) pass through designated exit points; and (c) be reported to a Plant Quarantine Officer. The regulations specify a limited number of seaports (Medan, Surabaya, and Makassar) and one airport (Jakarta) as the designated entry points of PSAT imports, unless a so called 'Country Recognition Agreement’ is established.

- According to Ministry of Trade (MoT) Regulations 27/2012 and 59/2012, importers must secure an importer identification number to be able to import goods into the country, but are only allowed to import one category of goods stipulated in the Goods Classification System. An API-P is given to a company that imports capital goods, raw materials, or goods used in production. The imported goods may not be traded or transferred to other parties. Following extensive dialogue with (mostly EU) industry, the regulation defined “Hubungan Istimewa” (special relationship) as a relation between a company with API and an overseas company where one of party controls the other party, or has significant influence on the other party.
according to applicable accounting standards. This special relationship could be acquired through contractual agreement, shares ownership, agent/distributor agreement, loan agreement or supplier agreement. MoT issued a regulation on 30 December 2012 to start implementing the new Regulation 59/2012 by 31 March 2013 (MoT regulation 84/2012). However, on 28 September 2015, the MoT adopted Regulation No. 70/M-DAG/PER/9/2015 on Importer Identification Numbers (API), stipulating that each importer may possess only one type of API, which can be owned only by the company’s headquarter. It revokes the MoT Reg. No. 27/2012 and its first amendment – MoT Reg. No. 84/2012. There are now two categories of API: API-P and API-U. The API-P is the Producer API and is given only to a company that imports goods to be internally used as capital goods, raw material, additional material and/or supporting material in the production process. These imported goods are prohibited to be traded, distributed or transferred to other parties. The General API (API-U) can only be given to companies that import certain goods for trade purposes. (Regulation No. 27/2012 recognized Importer Producer License for API-P, which allowed producer to import finished goods with certain requirements, and allowed API-U holders to import goods under different sections with certain requirements. Effective since 1 January 2016, Regulation No. 70/2015 no longer recognises these provisions.)

Further, MoT Regulation No. 87/M-DAG/PER/10/2015 on Import Provisions of Certain Products (of 15 October 2015, and effective from 1 January 2016 until December 31, 2018), stipulates that only companies with API-U (General Importer Identity’s Number) license can import certain products, such as food and beverages, traditional medicine and health supplement, cosmetic and household health supply, garments and textile products, footwear, electronic and toys. Hence, only traders or API-U holders are allowed to import these products to be traded, as producers/manufacturers (API-P holders) are prohibited to import finished goods. The Regulation entails a need for re-arrangement of related Import Licenses and Permits for the products, which takes approximately 6 months, aside from other additional costs related to the re-arrangement. Combined with Regulation No. 70/M-DAG/PER/9/2015, this Regulation poses a barrier for manufacturers in terms of importing certain finished product items that they need for their business operation, including importing some sample products to be distributed to clients, where they have to rely on general importing companies to handle the issue. This Regulation was originally due to be effective on 1 November 2015, but the Ministry of Trade postponed the enforcement date to 1 January 2016, through the issuance of MoT Director General of Foreign Trade Circular Letter No. 1827/DAGLU/SD/10/2015.

- Ministry of Trade Regulation No. 86/M-DAG/PER/10/2015 on Import Provision of Batik Textiles and Batik Textiles Products and Pattern, which was adopted on 15 October 2015 and took effect on 20 October 2015, stipulates that batik products may only be imported by holders of API-U (General Importer Identity’s Number) or holders of API-P (Producer Importer Identity Number) with a valid Import Approval from the Minister of Trade. The Regulation does not provide a clear description of batik and non-batik patterns, and contains overlapping HS Code used, as the same HS Code is also used for both batik and non-batik textiles. Further, each import consignment should undergo pre-shipment verification by surveyors approved by the Minister of Trade. The Regulation No. 86/2016 revokes the previous Regulation No. 53/2015.

Due to pressure from the producers/manufacturers with regard to the Regulations No. 70/2015 and No. 87/2015, on 23 December 2015, the Ministry of Trade issued the Regulation No. 118/M-DAG/PER/12/2015 on Import Provision of Complementary Goods, Goods for Test Market Purposes, and Aftersales Service. This Regulation allows a holder of API-P to import manufacture goods to be traded or transferred to a third party as a complementary goods, test market purposes, and aftersales service. However,
companies wishing to import manufactured/finished goods must acquire an Import Approval from the Ministry of Trade, through electronic application on http://inatrade.kemendag.go.id. This import approval will allow holders of API-P to import manufactured goods within the scope of the so-called complementary goods, goods for market test purposes, and after sales service. The Regulation incorporates a transition time for companies to arrange their Import Approvals for six (6) months and stipulates that the existing Importer Producer Licenses which are expired before 30 June 2016, will remain valid until 30 June 2016. The Regulation also acknowledges that API-P holders may further conduct import of finished products, as long as they can provide proof of ”special relations” with their parent companies abroad. The Regulation No. 118/2015 was enforced since 1 January 2016, and has been a compromise that complements the previous Regulations No. 70/2015 and No. 87/2015.

- The Ministry of Trade Regulation No. 97/M-DAG/PER/11/2015 on Import Provision of Forestry Products was adopted on 4 November 2015 and has been in effect since 1 January 2016. The Regulation sets import limitations on more than 350 categories of forestry products and stipulates that importation of forestry products may only be conducted by holders of API-U or API-P, who has received an Import Approval from the Ministry of Trade. In order to acquire the Import Approval, each company must first acquire a Recommendation Letter from both the Ministry of Environment and Ministry of Forestry. However, no further clarification is provided on the readiness of online system to acquire the Recommendation Letter, and companies are facing difficulties as the system is not ready to process applications. Coordination between the Ministry of Trade, Ministry of Environment and Ministry of Forestry is lacking.

- Food Law No 18/2012 has been adopted at the end of 2012. Under the Law, imports and exports of foods are only allowed if the foods are not available or needed in the country. The law also imposes food labelling provisions and mandatory food processing. The law provides for an instrument for restricting imports of all kinds of food products and resulted in a temporary ban, imposed from February 2013 on imports of certain horticulture products (vegetables and fruits including for instance broccoli and potatoes) and the horticulture quotas for certain products are under Indonesia’s new regulations for imports of horticulture products (Ministry of Trade Regulation No. 30/2012, Ministry of Trade Regulation 60/ 2012 and Ministry of Agriculture Regulation 60/2012). These imports are restricted by limiting the issuance of a Recommendation for the Importation of Horticultural Products. In April 2013 the MoA revised Reg. 60/2012 by issuing Reg. 47/2013, which eliminates the obligation of Import Recommendation to consider domestic factors (domestic production, consumption, and potential of the imported products to distort markets); simplifies the administrative requirements of the Recommendation; extend the period of Recommendation (six months for General Importers and one year for Producing Importers). At the same time, MoT Reg. 16/2013 was issued to amend Reg. 60/2012 to simplify the process of obtaining an import license. The process is streamlined, shortened, and performed electronically, instead of a written request under Reg. 60/2012. The import approval period is shortened to 2 days from 5 days previously. However, overall the import licensing scheme remains non-automatic. Trade Minister Regulation No. 40/2015, a revision of Minister of Trade Regulation No. 16/2013, entered into force 10 June 2015. Regulation No. 40/2015 specifies the technical procedures to acquire import approval.

- Agriculture Minister Decree No 05/2012 restricts seeds imports. This decree stipulates that planting material can only be imported after been registered. After two years of importation, the seed variety has to be produced locally (in Indonesia). The import registration involves a lengthy process and can take around 2 years.

- Trade Minister Decree No 58/2012 on provisions for salt imports stipulates that only recognised companies can import salt (consumption and industrial salt), but not one month
before the harvest period, during the harvest period and two months after the harvest period and/or if average price is too low. Quantity quotas will be allocated.

- Industry Minister Decree No 81/2012 and Trade Minister Decree No 82/2012 regulate the importation of cellular phones, starting from January 2013, imposing: technical procedures and applications of standards; import limitations (distributors and port restrictions); pre-shipment controls and obligation to pre-register identification (IMEI) before importations in a one year planning period.

- Minister of Finance adopted Reg. 175/2013 on the collection of Income Tax for imported goods. This legislation only applies to imports, not domestic like-products. The import income tax for 502 products will increase from 2.5% to 7.5%, starting from 6 January 2014. The objective is to reduce the imports of the selected products, as the importer may be forced to increase the price of imported products (the income tax has to be paid on each import consignment, although the tax credit can be claimed later). It may contribute to a price increase of imported goods compared to domestic ones. On 9 June 2015, the Ministry of Finance revised the import income tax with Minister of Finance Reg. No. 107/PMK.010/2015, effective as of 8 August 2015. The main purpose of the revision is to include the products excluded from the luxury tax (see below) into the list of products subject to the import income tax. The included products will be subject to a 10% import income tax. Separately, Minister of Finance Reg. No. 106/PMK.010/2015, issued on 9 June 2015 and effective as of 9 July 2015, revised the types of goods that are subject to the luxury tax. The regulation excludes certain types of household appliances, furniture, electronic devises, bags, shoes and jewelleries. At the same time, the regulation revised the tariff structure on other goods such as apartments, aircraft or yachts.

- Finance Minister Regulation 207/2013 of 31 December 2013, replacing Regulation 62/2010, raises excise taxes on beverages containing ethyl alcohol as from 1 January 2014. Categories of products are defined by alcohol content and excise duties have been increased to 18% for Category A products (0-5° alcohol by volume), to 10% for Category B products (5-20° alcohol by volume) and to 7% for Category C products (20-55° alcohol by volume) With regard to categories B and C, taxation is higher on imported than on domestic like products.

- Government Regulation 22/2014, which amends Government Regulation 41/2013, stipulates that the luxury tax for motor vehicles is increased from 10% to 125%, depending on the type of vehicles and engine capacity. Vehicles with engine capacity of 3,000 cc in particular are subject to an increase from 75% to 125%. MOF Reg. 64/2014 elaborates the type of vehicles and engine capacity that are subjected to the increased luxury tax.

- Quantitative restrictions that were temporarily imposed until March 2014 on alcohol have been maintained throughout 2015. Discriminatory taxation rates are also applied (July 2015 legislation).

- On 17 October 2014, Law No 33/2014 on Halal Product Guarantee was adopted. The law basically mandates the mandatory nature of halal certification for food and beverages, cosmetics, pharmaceuticals, biological products, chemical products, genetically engineered products, or any products which are applied, used or utilised by people, if such products are manufactured, imported, distributed and/or traded in Indonesia's customs area. By 2019 all products circulated in Indonesia must be certified as halal, otherwise they must be declared and labelled as "non-halal".

- On 10 February 2015, the Indonesian Ministry of Agriculture (MoA) has issued a new regulation on Food Safety Control on Importation and Exportation of Fresh Food of
Plant Origin (FFPO), MoA Reg. 04/2015, as a revision of the previous MoA Reg. 88/2011. Adopted on 17 February 2015, the Regulation is expected to have severe consequences for all imports of such plant based products, and may altogether block all EU imports of such products into Indonesia given the requirements of a country recognition agreement and/or registration and inspection by Indonesia of testing laboratories in the export originating countries. This comes in addition to the already complex and cumbersome import-licensing rules and other restrictions imposed by Indonesia in the sector of food imports.

- On 3 July 2015, the Ministry of Trade issued the Regulation No. 48/M-DAG/PER/7/2015 on General Provision of Import. Taking effect as of 1 January 2016, the Regulation stipulates that importers must acquire import licenses for importation of restricted goods before goods enter the customs area, and failure to comply is punishable by suspension of the Importer Identification Numbers (Angka Pengenal Importir/API). In line with the Regulation, the Tanjung Priok Port Customs Office issued a Circulation Note No. S-5140/KPU.01/2015 on 17 November 2015 confirming that non-compliance to Regulation No. 48/2015 is punishable by suspension of API and obligation to re-export the goods. Nevertheless, further clarification from the Ministry of Trade and the Custom Office is required on the actual implementation of this requirement and its sanction.

- The Indonesian Government adopted on 9 July 2015 Ministry of Finance Regulation No. 132/PMK.010/2015 on the Third Amendment to Stipulation on Classification of Imported Goods and Imposition of Import Duty Tariffs. Became effective on 23 July 2015, the Regulation comprises a wide-ranging package of customs duty increases on a large number of products, mainly covering consumer and final end-user products. The regulation was issued by the Finance Minister on 9th of July, with the tariff increases coming into immediate effect. A preliminary review shows that the customs increase is very broad-based, and hefty in terms of the increases adopted, as high as 300-600% in some cases (for example the customs duty on meat products was raised from 5% to 30%).

The package covers a broad range of consumer products such as meat products including sausages (from 5% to 30%), fish products (from 5% to 15-20%), candy products and chocolate (from 10% to 15-20%), pasta (from 5-10% to 20%), bread and pastries (from 5-10% to 20%), vegetables and fruits (from 5% to 15-20%), ice-cream (from 5% to 15%), tea/coffee (from 5% to 20%), alcohol beverages (fixed tariff per litre converted into 90%, and 150% customs duty), mineral water (from 5% to 10%), garments (long list of products including men/women dresses such as T-shirts, coats, bed-linen, curtains etc.) and textile inputs as well as used textile articles (from 10-15% to 17,5% - 25%), cosmetic products (from 5-10% to 10-15%), bags and suitcases (from 5-10% to 15-20%), certain wood products (from 5% to 15-25%), carpets and floor coverings (from 15% to 22,5-25%), cars (from 40% to 50%), motorcycles (from 10% to 30-40%), bicycles (from 10% to 25%), electrical goods and appliances (home appliances, AV equipment, orthopaedic appliances, and other machines)(from 5-10% to 15%), table- and kitchenware (from 15% to 20-22%), ceramics (from 5% to 10%), and jewellery (from 10% to 15%) among others. A first preliminary analysis on the bound commitments, also show that most of the new tariff levels are within Indonesia's reported commitments in the WTO/GATT, at around 40-50% for many products concerned (with alcohol at 123,5%, and 150% depending on the product category). In any case, the current new tariff levels for the products concerned must be considered as very high when compared to Indonesia's simple average tariff level of around 7%, and the trade-weighted tariff level of around 4,7%.

The impact on EU exports is likely to be felt in some of the niche consumer product sectors, such as food and beverages, some high-end garment and luxury products,
accessories, candies/chocolate, tea, and electrical appliances. It is difficult to estimate any quantitative impact, but overall EU imported products will face higher prices losing out to existing local or imported products from countries with preferential agreements. Most notable is the customs increase in the alcohol sector, which has now been transformed, from previously being a fixed customs fee per litre, at 55,000 Rupiah for wines, and ciders (alcohol with less than 23% alcohol volumes), and 125,000 Rupiah for strong spirits (alcohol content less than 80%), respectively, into a customs duty applied at 90% and 150%, respectively, representing a significant increase in the imported price.

The Ministry of Industry has verbally claimed that the Ministry of Finance Regulation No. 132/2015 only applies to finished goods/consumption products and does not apply to raw material. However further clarification is needed due to overlapping HS Code is currently being used, as the same HS Code is also used for both raw materials and finished goods.

- **Head of BPOM Regulation No. 12/2015** on the Oversight of Food and Drug Imports into Indonesian Territory, adopted on 14 September 2015, features a “Priority SKI”, which extends the validity of the SKI, the Import Certificate, to 6 months. SKI is transactional and must be obtained for every shipment, and applies to cosmetics, food, beverages and drugs cosmetics. Requirements to obtain SKI include Certificate of Analysis, which must include “testing parameter according to applicable regulation”. For cosmetic products, it includes the obligation to conduct heavy metal testing each time companies apply for SKI. Heavy metal testing, amounting to IDR 5 billion or more for each test, is required for every SKU (stock-keeping unit). European cosmetic companies have thousands of SKUs in their product inventory of types and variants; hence, this regulation is a major additional overhead cost for them.

- **Ministry of Trade Regulation No. 73/M-DAG/PER/9/2015** on the Requirement to Affix Label was issued on 28 September 2015, revoking previous regulations of Regulation No. 67/2013 and its revision No. 10/2014, regarding the obligation to put labels in Indonesian language. Effective since 1 October 2015, the Regulation No. 73/2015 further requires companies that produces or imports goods to be traded in Indonesia to place the Bahasa Indonesia labels on the products, and products with mandatory SNI should have the label adjusted with SNI requirements. Nonetheless, the regulation relaxes requirements on labelling, removing the requirement to obtain SPKLBI (Certificate to Use Label in Bahasa Indonesia) as a pre-clearance import documents and allows label to be affixed before distribution (instead of before entering Indonesia customs area). Among the affected products are tyres, upon which Indonesia mandates labelling in Bahasa Indonesia.

**Malaysia:**

- **Import licensing** in Malaysia affects a wide range of agricultural and industrial products. A quarter of Malaysia's tariff lines (primarily animal, fish and vegetable products, wood, machinery, vehicles and transport equipment, as well as arms) are subject to import licensing. According to the Malaysian authorities, automatic licensing is applied generally for data collection purposes, whereas non-automatic licenses are used primarily for sanitary and phytosanitary reasons (agricultural products), but also in practice to regulate the flow of imports and promote strategic industries in line with specific socio-economic objectives.

The legal basis for import licensing requirements is the Customs Order of 31 December 2012 (Prohibition of Imports), which is subsidiary legislation relating to the primary customs legislation, which is the Customs Act of 1967. The Order entered into force on 1 March 2013 and it has been amended 15 times. The Order lists all goods which are completely prohibited
from being imported into Malaysia, as well as imports which are prohibited unless an import license is granted. This order is continuously amended, generally to add new categories of goods for which the import is to be prohibited or controlled.

- Malaysia applies a restrictive import licensing system of "approved permits" (AP) for the importation and distribution of foreign-built or assembled cars, trucks, and motorcycles. This measure remains a key element of Malaysia’s National Automotive Policy (NAP), last revised in January 2014.

The AP system is administered in a non-transparent manner and operates as a de facto import quota by restricting the total number of imported vehicles in a given year. The previous NAP included a commitment to phase out the AP system by 2020, but the 2014 NAP replaced this by a proposed in-depth study to assess the impact of terminating the programme on its bumiputera beneficiaries. The results of such a study have yet to be published.

- The simple average applied tariff rate in Malaysia is 6%. On roughly 80 products, most of which are agricultural goods, Malaysia charges specific duties that represent extremely high effective tariff rates, notably for beverages, alcohol, and wine.

- From July 2014 until December 2015, Malaysia has introduced several import licensing related measures:
  - Customs (Prohibition of Imports) Amendment (No. 3) Order 2014, expanding the list of goods for certain tariff lines subject to licensing. Published 23 September 2014, effective date.
  - Customs (Prohibition of Imports) Amendment Order 2015, which includes a new item (waste, paring and scrap of plastics) subject to licensing. Published 26 January 2015, effective date 2 February 2015.
  - Customs (Prohibition of Imports) Amendment (No. 2) Order 2015, which includes a new item (non rechargeable primary batteries) subject to licensing. Published 26 January 2015, effective date 1 March 2015.
  - Customs (Prohibition of Imports) Amendment (No. 4) Order 2015, changing the description of some items of electronic equipment, notably telecoms related equipment, subject to licensing. Published 1 July 2015, effective date 1 October 2015.
  - Customs (Prohibition of Imports) (Amendment) (No. 7) Order 2015, which bans the import of certain goods containing mercury and requires licences to import certain liquid filled electrical heating goods. Published 9 October 2015, effective date 1 November 2015.

Mexico:

- Import licensing requirements were adopted on 133 tariff lines of steel products and on slot machines, effective on December 2013.

- On 13 December 2013, Mexico increased customs duties on certain furniture items and several agricultural products, including white corn (to 20%).

- On 2 September 2013, Mexico increased customs duties on certain wood product items from 0% to 7% (while decreasing duties for some other wood product items from 15% and 10% to 7%).
In a move to further protect the footwear industry from unfair competition stemming from Chinese imports, on 27 August 2014, the Ministry of Economy restored several border measures which had been eliminated in 2008. The first one consists in postponing the 25-30% MFN tariff cuts scheduled for January 2015 on footwear until February 2019, which is expected to mainly affect Asian partners. This measure nullifies a decree that had established a programme of phased tariff reductions due to be completed by January 2015. The Government also restored four non-tariff barriers previously eliminated; footwear will only be allowed to be imported through nine customs offices, it also restored the obligation for importers belonging to that sector to be registered in the official importer’s database, it re-established import permits, and will assign a minimum import value to all shoes (all importers that ship footwear whose declared price at customs is lower than the estimated price must cover the duties that arise from that differential).

On 4 December 2014, the Ministries of Economy and Finance announced new import measures in the textile and clothing sectors and governmental support to local industry. The new custom measures which entered into force on the 1st January 2015 include: the suspension of the planned elimination of 80 import tariffs; importers have to be registered in the customs import register; Pre-import notice to the customs authorities; Tax authorities will closely monitor identified importers with "bad track-record"; a pilot program will be introduced covering tariff lines of 10 digit level; reference values will be applied for raw material and finished products.

On 10 December 2014, the Ministry of Economy increased import duties on all 5 tariff lines related to rice (9 and 20 %).

As of 3 July 2015, exports of live equidae from the EU are temporally restricted, due to a high number of certification problems encountered with exports of this commodity from several Member States.

On 9 July 2015, Mexico unveiled a series of measures to protect its steel industry from under-valued (and triangulated) imports of steel from China mainly. These measures have been announced but not yet implemented since they have not been published in the official gazette yet. For temporary imports of non-certified companies, the SAT (Tax Authority) will restore the practice of contract bonding in order to guarantee that these companies fulfil requirements under the IMMEX programme (Programme for the Promotion of the Manufacturing, Maquila and Export Services Industry, which mainly contributes to deferring taxes on goods that are temporarily imported into Mexico and in consolidating import declarations). The authorities will incorporate 86 tariff lines belonging to steel products to the list of "sensitive merchandise", which implies presenting/demonstrating ex-ante various requirements. They will also regulate imports according to its installed capacity and proven sales, and after consulting the CANACERO they will authorise or not permits of the "Eighth Rule". Regarding definitive imports, the authorities will a) Add another 25 tariff lines to the list of products subject to 'automatic import licensing’ requirements; b) Tighten the enforcement of the 'automatic import licensing when prices are particularly low; c) Set up a committee to review external trade operations, which would be comprised of the SAT, CANCERO (industry) and SE (Ministry of Economy). Additional measures to fight unfair practices of international trade, include: 1) Reduce to a minimum investigations’ time-frame within the legal framework; 2) Impose provisional measures as

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3 It is an import programme that provides tariff preferential treatment on goods that are generally subject to non-preferential duty rates. It allows companies to qualify their imported products for duty exemption under subheading HTS 9802 provisions.
soon as possible, where proper justification is given; 3) Apply retroactively definitive duties up to 90 days prior to preliminary resolution, where appropriate. In parallel, talks over the possibility of imposing safeguard measures are in the works. According to the latest news, the Ministry has finalised the list of sensitive products which will be subject to safeguard duties. Talks with representatives of the industries which have voiced their concern regarding the possible impact of these measures on their imported inputs (namely auto and construction sectors) were as well concluded. As of December 2015, only two of the measures listed above have been published in the official gazette. The first one concerns the safeguard measures announced back in July 2015, which have been replaced by a temporary 15% MFN tariff on 97 tariff lines, applicable for the next 6 months after its publication. The second measure relates to the 25 tariff lines belonging to HS chapters 72 and 73 which have been added to the list of imported products subject to prior licensing procedures.

Nigeria:

- The Central Bank of Nigeria, by circular TED/FEM/FPC/GEN/01/010 of 23 June 2015, subsequently updated by circular TED/FEM/FPC/GEN/01/012 of 1 July 2015, introduced restrictions in accessing foreign exchange for the import of certain items. The measure lists 41 items (including rice, cement, fish, furniture and clothes) which have become ineligible for foreign exchange from the Nigerian interbank market and the Bureau de Change market. Importers of any of the 41 items are expected to source their foreign exchange from other sources.

- Following the entry into force of the ECOWAS Common External Tariff (CET) in April 2015, Nigeria replaced all previously applied levies on the import products with the so-called Import Adjustment Tax (IAT). The IAT ranges between 10% to 50% and applies to 177 tariff lines listed in the circular No 013/2015 issued by the Comptroller-General of Customs on 31 March 2015, based on a circular of the Federal Ministry of Finance of 20 March 2015. The IAT applies as of April 2015. Annex III to the circular contains a new list of 25 product categories for which the import to Nigeria is banned. The list is practically identical to the previously applicable import prohibition list, with the exception of cane or beet sugar, which has been added to the list, and certain textile products (so-called "African print"), which have been taken out of the list. The import bans on bagged cement, in force since November 2009, has been complemented by an import licence quota for bulk cement, set in August 2010 at the level of 2.5 million metric tonnes. Following the entry into force of the ECOWAS CET in April 2015, all categories of cement goods are subject to an IAT of 40% in addition to the 10% import tariff. As regards bulk cement, an IAT of 30% applies on the top of a 20% import tariff.

- A circular dated 20 February 2012 introduced extra levies on wheat, wheat flour and rice to boost use of the cassava in cassava processing. Following the entry into force of the ECOWAS CET in April 2015, wheat, rice and flour are subject to an IAT of, respectively, 15%, 60%, and 65%.

- As part of the fiscal measures accompanying the 2013 budget, as of 1 January 2013, raw sugar attracts an import duty rate of 10% plus a levy of 50% while refined sugar attracts an import duty rate of 20% plus a levy of 60%. Following the entry into force of the ECOWAS CET in April 2015, raw cane sugar (beet sugar) and refined sugar attract an import duty rate of 20% plus an IAT of 50%, while raw cane sugar attracts an import duty rate of 10% plus an IAT of 60%. It should be noted, however, that "cane or beet sugar and chemically pure sucrose, in solid form containing added flavouring or colouring matter - H.S. Code 1701.91.1000 - 1701.99.9000 in retail packs", have been added in the import
prohibition list attached to the Comptroller-General of Customs' circular of 31 March 2015.

- As part of the fiscal measures accompanying the 2013 budget, husked brown rice and semi-milled or wholly milled rice, whether or not polished or glazed, attracts an import duty rate of 10% plus a levy rate of 100%. As from 26 May 2014, the levy on husked brown and semi-milled or wholly milled rice was decreased to 20% for investors with rice milling capacity, down from 100% that was applicable under the former fiscal policy. On the other hand, for pure traders, the government reduced the levy to only 60% down from 100% per cent. The basic tariff remains at 10%. Following the entry into force of the ECOWAS CET in April 2015, the levy for pure traders was replaced by an IAT of 60%. For importers that have invested in rice milling capacity, the preferential 20% levy applies only to the import quantities allocated by the Federal Ministry of Agriculture and Rural Development. For the full year April 2015 to March 2016, the Federal Ministry of Agriculture and Rural Development issued import quota allocations to 22 approved companies with a total allocation of 961,000 MT.

- According to the Central Bank circular, as from February 2013, polymers of polyethylene and polypropylene now attract an import duty rate of 5% to encourage import substitution. Following the entry into force of the ECOWAS CET in April 2015, these products are also subject to an additional IAT of 5%.

- In the automotive sector, a circular published on 14 November 2013 and then amended in February 2014 has introduced new tariffs and levies on cars and tyres as from 1 July 2014: a) Fully Built Unit (FBU) cars attract 35% duty and 35% levy; b) FBU commercial vehicle attract 35% duty; c) local assembly plants can import Completely Knocked Down (CKD) at 0% duty and semi knocked down (SKD) at 5% duty. Local assembly plants are at the same time granted concessionary rates on FBU cars and vehicles (35% and 20% respectively) in numbers equal to twice their imported CKD/SKD kits. As for used cars, duties will be calculated on the price of new cars depreciated by 10% per annum for cars and 7% for commercial vehicles. In either case however depreciation should never be below 30% of the value of the new corresponding vehicle. The same circular includes measures for the tyres industry: 20% duty plus 5% VAT on car tyres and 20% duty plus 5% VAT on lorry/bus tyres. Concessionary rates for the importation of tyres are also given to local manufacturers for a period of two years. By circulars BD/FF/DO/09/I/248 of 1 July 2014 and BD/FF/DO/09/I/B/276 31 December 2014, the application of the 35% levy on the import of used cars has been suspended until 30 June 2015. Following the entry into force of the ECOWAS CET in April 2015, FBU cars and tyres attract new tariffs and levies with a 20% duty and 50% IAT, while FBU commercial vehicles attract 10% duty and 25% IAT.

- With regards to the fisheries sector, reports since 2013 have indicated an increasing difficulty for importers of frozen fish in securing validation of import documents from the Fisheries Department (part of the Ministry of Agriculture and Rural Development). New Regulations and Guidelines were introduced as from 1 January 2014 providing for a target reduction of 25% of issued licences. Operators state that the drop during the first part of 2014 has been up to 50%. Names of licensees have not been published and it is not clear on which grounds they have been selected. Also, the list of fishery products subject to the reduction in licences is not clear. In addition, although it is not indicated in the import prohibition list, import of farmed fish seems completely banned. As a consequence of the current situation, a parallel market for licences appears to have developed and market prices have significantly increased.
Pakistan:

- On 26 June 2014 the Federal Government imposed a 5% duty on import of certain food stuff and toiletries by means of regulatory SRO NO. 568(I) 2014.

- On 30 April 2015 (by notification no. SRO 393(I)/2015) the Federal Government imposed a regulatory duty at the rate of 7% ad valorem on import of furnace oil (PCT Code: 270.1941).

- On 30 March 2015, the Federal Government levied a regulatory duty at the rate of 25% on import of wheat, wheat flour, maida, Semolina. (PCT Codes: 1001.1900/1001.9900; 1101.0010; 1102.9000; 1102.9000 respectively).

Philippines:

- In February 2014, the Department of Finance issued Order 12-2014 regarding revised rules on the (re-)accreditation process for importers. The process involves securing an 'Importer/Broker Clearance Certificate' from the Bureau of Internal Revenue, before registering with the Bureau of Customs, which is causing long delays in the (re-)accreditation process.

- Customs authorities are planning to expand the use of pre-shipment inspections (currently used for bulk and break-bulk cargo) to containerized cargo. A draft regulation is under discussion, but implementation has been deferred due to concerns raised by trading partners, including the EU. De facto pre-shipment inspections ("load port survey") were recently inserted in an adopted Bill (Customs Modernization and Tariff Act), by Congress (House Bill 5525), but the final bill is yet to be adopted by Congress.

Russia:

- By a Decree on harvesters (No. 12 of 9 January 2009, entered into force on 15 February 2009), Russia raised import duties for combine harvesters to 15%, but no less than €120 per 1 kW of engine. Government Decree No. 940 extended the temporary tariffs on harvesters for an additional 9 months-period. In force since 14 November 2009, this measure was made permanent in the Customs Union's Single Customs Tariff.

- Increased import duties for cars were introduced by Decree No. 903 of 5 December 2008, initially valid for 9 months, which entered into force on 12 January 2009. The duty increases were between 5 % and, 20 % ad valorem. Changes to the specific duties represented in certain cases (specifically for trucks) an increase of up to 400%. The steepest increases were for used cars, but new cars were hit across the board. On top of this, the rouble was devalued, which made imported cars very expensive. On 9 October 2009, the Decree No. 807 prolonged the validity of the duty for a further 9 months, until June 2010. Under the Customs Union's Single Customs Tariff most of these increases were confirmed, with some exceptions. Since 1 July 2011, import of cars to the Customs Union territory is regulated by the Custom Union agreement of 18 June 2010, 'On order of movement of goods for personal use by individuals through the customs border of the Customs Union’ which in Attachment 5 confirms these import duty increases.

Nearly all tariff increases introduced in the course of the economic crisis 2008-2009 have been made permanent and consolidated in the Single Customs Tariff (SCT) as of 1 January 2010. In this subsection, specific remarks concern a change of duty rate under the Customs Union's Single Customs Tariff. Lack of remark implies the tariff has been consolidated in the Customs Union SCT.
Decree No. 918 of 8 December 2008 on meat quotas reduced the EU poultry quota from 236.4 thousand tonnes to 185.8 thousand tonnes (on beef and pork, the quota was increased). Russia put a request to redistribute some of the unused frozen beef quota from the EU to other countries. New quotas have been introduced for the years 2010-2012 by the Government Decision No. 1021 of 16 December 2009 and made permanent by the Customs Union (“CU”) Commission. On 29 July 2011, a Government Decision was approved, envisaging a 28.5% cut for poultry and a 32% cut for pork in 2012 import quotas. The import quota for beef remains unchanged.

Decree No. 9 on steel of 9 January 2009, which entered into force on 14 February 2009, raised import duties for a range of rolled steel products and steel tubes (pipes, carbon long products (wire rod, merchant bars, sections), stainless flat products etc.) for 9 months. The duty increase was consolidated under the Single Customs Tariff of the CU.

Government Decrees No. 71 and 1018 extended a 15% import duty, but not less than €0.35/kg, on certain types of butter and dairy products (codes 0405 10 110 0, 0405 10 190 0, 0405 10 300 0, 0405 10 500 0, 0405 10 900 0, 0405 20 100 0, 0405 20 300 0, 0405 20 900 0, 0405 90 100 0, 0405 90 900 0) for an indefinite period. The duty increase was consolidated under the Single Customs Tariff of the CU. Decree No. 72 increased duties on certain types of milk and cream by 20% and Government Decree No. 1016 extended for an indefinite period of time an import duty of 20% for a number of tariff lines corresponding to milk and condensed milk (code 0402). The duty increase was consolidated under the Single Customs Tariff of the CU.

Decree No. 179 of 14 February 2009 on seasonal duties on rice and milled products from rice introduced a seasonal duty on rice and milled products from rice at €0.16 per kg for the period from 15 February until 15 May 2009. On 2 November 2009 the Government Decree No. 881 introduced a specific duty for rice at 0.12€/kg (up from 0.07€/kg). In force since 2 December 2009, the duty increase was consolidated under the Single Customs Tariff of the CU.

Decree No. 173 from 26 February 2009 on certain types of dairy products for babies raised the import duty from 5% to 15% and took effect at the end of April 2009. The duty increase was consolidated under the Single Customs Tariff of the CU.

Increased duties on non-alloy steel bars and rods were introduced by the Government Decision No. 299 of 3 April 2009, which entered into force one month after publication. Duty rates were increased from 5% to 15% for a period of 9 months. The duty increase was consolidated under the Single Customs Tariff of the CU.

Increased duties on maize starch and manioc starch of 20%, but no less than €0.15/kg (an increase from €0.06/kg) were prolonged by the Russian Government Decision No. 328 of 15 April 2009 for a period of 9 months. The duty increase was consolidated under the Single Customs Tariff of the CU for manioc starch (10% but no less than €0.15/kg). The duty increase for maize starch was not extended.

The Government Decision of 22 April 2009 prolonged the validity of the 15% duty on radio frequency coaxial cables. The duty increase was consolidated under the Single Customs Tariff of the CU.

From 3 May 2009, a 15% import duty applies for asynchronous electric motors (Codes 8501 51 000 1 and 8501 52 2000 1). Both measures were valid for a period of 9 months and consolidated under the CU's Single Customs Tariff at the level of 10% but no less than €20/piece.
On 8 May 2009, the temporary import tariff on magnesium scrap metal and crowbars (first introduced in November 2006) was extended for 9 months. The order maintained the tariff, which is levied at a rate of 5% against the declared value of the goods. The order came into effect on 8 June 2009. As of 8 November 2009 the duty was increased to 20% but no less than €138/tonne on certain magnesium scrap. The duty increase was consolidated under the Single Customs Tariff of the CU.

Russian Government Decree of 15 June 2009 introduced a temporary minimum import tariff of 5% ad valorem but no less than €0.07 per kg on pentaerythritol. The measure was applied for 9 months and consolidated under the CU's Single Customs Tariff at 5% ad valorem (without the specific component).

Russian Government Decree of 15 June 2009 introduced a temporary minimum import tariff on ‘other plates’, sheets, film, foil, strip of plastics, of 10% but no less than €0.35/kg. The duty increase was consolidated under the Single Customs Tariff of the CU.

Decree No. 680 of 20 August 2009 introduced temporary tariffs on cheese for a 6-month period. The Decree was in force from 20 September 2009. The tariff was set at 15% but not less than €0.5/kg and consolidated under the CU Single Customs Tariff.

Decree No. 729 of 14 September 2009 introduced for 9 months an import duty of 15% but no less than €0.12/kg on polyvinylechloride (up from the 15% duty, without euro component). The duty entered into force on 18 October 2009. Under the CU’s Single Customs Tariff the duty rate was set at 10%.

Decree No. 730 of 14 September 2009 introduced for 9 months an import duty of 15% but no less than €0.07/kg on sodium hydrate (previously set at 15%). The duty entered in force on 18 October 2009 and was consolidated under the CU Single Customs Tariff.

On 28 September 2009, Russia imposed for 3 years a special duty on corrosion-resistant pipes with the outer diameter up to 426 mm inclusive (subheadings of CN 7304 and of CN 7306) at 28.1% ad valorem. The CU Commission's Decision N° 706 of 22 June 2011 reduced the duty to 9.9% of customs value, but introduced a minimum threshold of USD 1,500 per ton. The measure was in force until 1 November 2012. The Ministry of Industry and Trade's Order No. 1162 of 26 August 2011 launched a repeated special safeguard investigation regarding imports of the corrosion-resistant pipes to the customs territory of the CU. The Collegium of the Eurasian Economic Commission's Decision No. 143 of 23 August 2012 introduced, until 1 November 2014, import quotas on the corrosion-resistant pipes.

The Russian Government increased the import duty on snow vehicles from 5% to 10% for a period of 9 months. This was consolidated under the CU Single Customs Tariff.

The Russian Government increased the import duty on ventilating equipment from 0% to 10% for the period of 9 months, consolidated under the CU Single Customs Tariff.

The Russian Government planned to establish an import duty for polycarbonates for optical production (CN code 3907 40 00 01) of 5% until 1 January 2010, and import duty of 10% from 1 January 2010. Under the CU the import duty for polycarbonates (CN Code 3907 40 00 01) was set at 5% ad valorem, and for other polycarbonates (CN code 3907 40 00 09) at 10% ad valorem (CU Commission's Decisions No 196 of 26 February 2010, and No 859 of 9 December 2011).

Decree No. 679 of 20 August 2009 on the tariffs on aircraft spare parts and equipment/ units (also mock-cockpits) entered into force on 21 September 2009, confirming earlier (2008) tariffs introduced originally for a period of 9 months. This was consolidated under the CU
On 30 October 2009, the Russian Government Decree No. 874 introduced a 5% duty on drops for contact lenses, binding from 6 January 2010 for 9 months. This was consolidated under the CU Single Customs Tariff.

On 30 October 2009, the Russian Government Decree No. 876 introduced a duty increase on propylene (methyl ethylene) terpolymer and tetramer, in force from 6 January 2010. The duty was consolidated under the CU Single Customs Tariff through the CU Commission Decision No.316 of 18 June 2010.

On 16 November 2009, the Government Decree No. 932 introduced for 9 months an import tariff on natural rubber (caoutchouc). This was consolidated under the CU Single Customs Tariff.

On 23 November 2009, the Russian Government Decree No. 943 adopted measures to protect Russia in cutlery producers by introducing a specific safeguard duty of $1.4/kg. The Decree entered into force one month after the publication for a period of 3 years. The CU Commission Decision N.704 of 22 June 2011 confirmed the duty on cutlery of corrosion-resistant steel under CN codes: 8211 91 300 0 (replaced with CN Code 8211 91 000 1 according to CU Commission Decision No. 859 of 9 December 2011), 8215 20 1000 0, 8215 99 100 0. The duty was imposed for the period until 26 December 2012. The CU Single Customs Tariff now applies a 15% import duty on the cutlery of corrosion-resistant steel.

On 28 November 2009, Russian Government Decree No. 959 increased duties (15% and 20% from 5% and 10%) on iron rolled products and iron pipes for 9 months. Cancelled by the Russian Government Decree No 1002 of 8 December 2010, this was consolidated under the CU Single Customs Tariff.

In December 2009, the Russian Government Decree No. 989 increased import tariffs for certain flat cold rolled steel from 0 to 5% (codes 7209 17 900 1 and 7209 27 900 1), effective one month after publication. Cancelled by Russian Government Decree No 1002 of 8 December 2010, this was consolidated under the CU Single Customs Tariff.

As of 14 November 2009, Government Decree No. 931 imposed a duty on coaches for high speed electric trains for an additional 9 months-period. Cancelled by Russian Government Decree No 1002 of 8 December 2010, this was consolidated under the CU Single Customs Tariff.

In February 2010, the Ministry of Industry and Trade (MIT) and the Finance Ministry undersigned a Joint Order, which toughens the rules for imports of parts and components for assembling cars (such parts and components are subject to reduced import duties of 0-5%). On top of the already envisaged agreement on car industrial assembling with the Economic Development Ministry (MED), importers should submit to the customs authorities a conclusion on purpose of imported parts and components. Car producers should also report twice a year to MED about their investment (instead of once a year) and provide a list of every defective part and component and their scrapping.

On 16 April 2010, by the CU Decision the import duty rate of processed cheese was raised from 15% but not less than 0.3 Euro/ Kg to 15% but not less than 0.5 Euro/kg. The Collegium of Eurasian Economic Commission's Decision No 13 of 5 February 2013 increased starting 1 April 2013 import duties on certain types of cheese (CU CN Codes 0406 20 100 0, 0406 20 900 0, 0406 90 320 9, 0406 90 990 9) For instance, the import duty rate for Glarsky cheese was increased from 15% but no less than €0.3 per 1 kg to 20% but no less than €0.4 per 1 kg.
On 16 April 2010, the CU adopted Decision No. 238 to raise the raw sugar import tariff by pegging it to New York Commodity Exchange prices, calculated on a monthly basis, rather than on the basis of the preceding 3 months. The Federal Customs Service in a letter of 27 March 2013 established the import duty at $140 per a kilogramme referring to the average sugar price on the NYCE of $401.83 per a tonne in February 2010.

An import duty increase to 15% on plastic parts of protective spectacles is in force as per CU's Commission Decision No. 314 of 18 June 2010.

The CU's Commission Decision No. 346 from 17 August 2010 increased the tariff on imports of corks and capping for bottles (codes 3923 50 100 0 and 3923 50 900 0) from 10% to 15%, but not less than €1 per kg.

The CU's Commission Decision No. 347 from 17 August 2010 increased the import tariff on used and refurbished tires (codes 4012 11, 4012 12, 4012 13, 4012 19, 4012 20) from 20%, but not less than €6.9 per tire to 20%, but not less than €20 per tire.

A 5% import duty on certain types of agricultural machinery (CN 8428) was introduced in November 2010.

An import duty of 10% but no less than €0.15/kg on nonwoven materials (CN 5603) was introduced.

The previous temporary increases in the import duties on certain types of tropical oils in the Russian Customs Tariff were consolidated under the Single Customs Tariff of the CU. In accordance with the CU Commission Decision N. 581 of 28 January 2011, the duty for tropical oil in containers of 20,000 kg or less is set at €0.4/kg.

CU Commission Decision No. 736 of 16 August 2011 introduced an import duty on elevators and conveyors for continuous operation of underground works (CN Code 8428 31 000 0) and barring a hydraulically driven (CN Code 8479 89 300 0) at 5%. Effective since 1 September 2011, the measure was consolidated under the CU Single Customs Tariff.

The CU Commission, by Decision No. 738 of 16 August 2011, established a specific duty on fluid-filled radiators (CN Code 8516 29 10 0) at EUR 5/piece, effective since 1 September 2011. The ad valorem duty is 10%.

The CU Commission, by Decision No. 763 of 16 August 2011, set an import duty on disc harrows (CN Code 8432 21 000 0) and 'other' (CN 8432 30 190 0), as well as on press balers (CN 8433 40 100 0) at 5%, effective since 1 September 2011.

On 29 December 2011, the Russian Government adopted Decree No 1194 on the redistribution in 2012 of import tariff quotas for beef, pork and poultry (CU CN Codes: 0201, 0202; 0203; 0207 14 200 1; 0207 14 600 1; 0207 14 100 1; 0207 27 100 1) imported from the EU, US, Costa Rica and other countries.

CU Commission's Decision No 913 of 25 January 2012 establishes the seasonal import duty on some kinds of sugar at USD 140 per 1,000 kg for the period of 01.05.2012 – 31.07.2012, inclusive. The import duty on various kinds of raw sugar imported to the customs territory of the Eurasian Economic Union (EAEU) is established depending on the price of sugar on the New York Mercantile Exchange, and could vary if the latter drops below or exceeds the envisaged minimal or maximal levels. A special formula is used to calculate the duty rate. The existing import duty is USD 205 per 1,000 kg. Meanwhile, after their accession to the EAEU, Armenia and Kyrgyzstan are entitled to import some categories of raw sugar on a duty-free
basis during a transitional period. Kazakhstan, which under its WTO accession commitments imports sugar at a lower customs duty rate, is obliged not to re-export sugar to other members of the EAEU.

- CU Commission’s Decision No 907 of 18 November 2011 raised the import tariff rate on circular carbon electrodes with a diameter not exceeding 1,000 mm (CU CN Codes 8545 11 001 0) from 0% to 15% as of 1.01.2012.

- The new version of the CU Single Customs Tariff comprises corrections of the import duty tariffs on some types of watches. Instead of 20% but at least €3 per piece, the duty rate of 10% but at least €10 per piece was set up for the following CU CN Codes: 9102 11 000 0, 9102 12 000 0, 9102 19 000 0, 9102 21 000 0, 9102 29 000 0, 9102 91 000 0, 9102 99 000 0. (CU Commission’s Decision No 850 of 18.11. 2011).

- The CU Commission’s Decision No 353 of 17.08.2010 added the following products to the List of goods which are subject to ban or restrictions in CU trade with third countries: fresh water fish, frozen of chilled (including filleted, dried, salted or tinned), prepared or preserved crustaceans, molluscs and other aquatic invertebrates (CU CN Codes: 0303 79 110 0, 0303 79 191 0 – 0303 79 199 0 etc., 0304 19 191 0, 0305, 1604, 16 05).

- On 20 March 2012, a ban was imposed on imports of live animals (pigs, cattle, sheep, and goat).

- On 1st September 2012, a recycling fee was imposed on imported vehicles by way of an amendment to the Federal Law on production and consumption wastes of 13 July 2012.

The Amendment introduced a utilization fee that has to be paid "for each wheeled transport vehicle imported to the Russian Federation or produced, manufactured on the territory of the Russian Federation", except for exempted vehicles. The stated purpose of the fee is to "ensure environmental safety". On 30 August 2012, the Government adopted the "Resolution of the Government of the Russian Federation dated August 30, No 870 on utilization fee for wheeled transport vehicles" ("Resolution No 870"), by which the Government approved several sets of implementing rules, which entered into force on 1 September 2012. The utilization fee applies in practice to imported vehicles (new and used) only. Domestic producers (including foreign companies established in Russia that fulfil certain conditions) are exempted, if they choose to assume recycling obligations. In addition, vehicles imported from the CU (Belarus and Kazakhstan) can also be exempted under certain conditions. The system as such does not apply to vehicles registered in Russia before 1 September 2012. They are therefore exempted from both paying the fee and any recycling obligation. This exemption seems to continue to apply when those vehicles are resold after that date. By contrast, the fee has to be paid for imported vehicles and the amount increases significantly for vehicles older than three years.

It is estimated that assuming recycling obligations represents a much smaller financial burden than paying the fee. In addition, in practice, the recycling obligations will have to be assumed only in 10-15 years’ time (when the vehicles reach their end of life, except for accidents). In any event, in respect of vehicles imported from outside the CU, there is no choice between paying the fee and assuming recycling obligations. The fee for particular categories of vehicles seems to be unrelated to the costs generated by the actual waste management of those vehicles. This concerns, on the one hand, the level as such of the fee and, on the other hand, the criteria according to which the level of the fee is determined. The Russian Government's Resolution N°1291 of 29 December 2013 cancelled the provisions of the Russian Government's Resolution N°870 of 30 August 2012, which provided advantages to local automobile producers as compared with importers. However, the Russian Government decided to compensate resulting additional costs for local automobile producers by adopting a
package of state subsidies to local automobile producers (see further information in the related section), which de facto maintains the discriminatory character of the initial scheme.

- On 30 August 2012, the import duty on tracked bulldozers equipped with more than 250 horsepower engines was raised from 0% to 10%; the import duty on pipe-layers equipped with more than 400 horsepower engines was raised from 0% to 5% and a tariff quota was imposed on whey (5,000 tonnes per year) with the in-quota duty of 10% and the out-of-quota duty of 15%.

- In May 2013, Russia unilaterally decided to change its applied duties for 370 tariff lines by adding to ad valorem duties an additional specific minimum tariff. These changes potentially represent non-compliance with Russia's WTO accession commitments, as in the case of many products it leads to a higher ad valorem duty than in the WTO-set maximum tariffs. Despite Russia's assurances that any non-compliant elements would be removed, no positive changes have been brought so far to the tariffs list.

- On 5 July 2013, Russia's Federal Customs Service (FCS) notified ASMAP (the Association of International Road Carriers), which is the Russian member of the International Road Transport Union (IRU), of the termination on 1 December 2013 of the bilateral "Agreement on the obligations relating to the application of the Customs Convention on the International Transportation of Goods with the use of TIR Carnets" of 2004, because of ASMAP's neglecting its guaranteeing obligations, with as a result: 20 billion RUR (more than 650 USD million) of unpaid customs duties and fees. The FCS cancelled the use of TIR Carnets by a number of territorial customs organs, and attempted to develop a single system of guarantees for transit of goods in the CU to replace TIR Carnets. Meanwhile, Belarus and Kazakhstan expressed concern about a destabilizing effect of the Russian move, and the EAEC Collegium on 1 October 2013 issued Recommendation N°13 stating that Russia should ensure an unhampered use of TIR Carnets for international transit to Kazakhstan and Belarus. On 29 November 2013, in its letter N001-23/54304 the FCS informed ASMAP of the postponement of termination of the Agreement until 1 July 2014. On 30 June, the FCS informed ASMAP of an extension of the Agreement until 30 November 2014. The call for tenders aiming at choosing the successor of ASMAP was organized in May 2015. As long as no successor is found to ASMAP, the latter will remain in charge of its current mission. On 10 June 2015 the FCS elaborated a provisional list of 34 crossing-border points where TIR carnets would be accepted as of 17 June 2015. In practice, however, no change has been observed. At present, Russian customs recognize TIR Carnets only at the border with Finland and Belarus.

- The CU applied a preliminary special duty of 27.5% on combine harvesters and their modules from 25.02.2013 to 05.06.2013 (EAEC Collegium's Decision N0289 of 25.12.2012). In June 2013, the EAEC Collegium decided to use a special import quota (Decision N0143 of 25.06.2013, as amended by EAEC Decisions N0223 of 15.10.2013, and No12 of 05.02.2014). Quotas were calculated for Russia, Belarus and Kazakhstan for 2014, 2015 and 2016.

- The Collegium of the Eurasian Economic Commission ('EAEC") increased import duties on certain drilling machines to 3.5% by decision No. 138 of 25 June 2013 (brought to 2% as from 26 July 2014); added 68 groups of organic chemicals to the Single List of goods subject to prohibitions or restrictions on imports or exports by the CU Member States in their trade with third countries by its Decision N°121 of 4 June 2013; added oxycodone naloxone to the Single List of goods subject to prohibitions or restrictions on imports or exports by the CU Member States in their trade with third countries by its Decision N°234 of 22 October 2013; and established for Russia, Belarus and Kazakhstan tariff quotas for 2014 for the import of beef, pork and poultry, as well as certain types of whey powder or granules, without sugar, by Decision N°242 of 29 October 2013.
The Russian Government's Resolution N° 1224 of 24 December 2013 established prohibitions and restrictions on the admission of goods originating from foreign countries and services provided by foreigners in the context of public procurement for the needs of national defence and state security.

The EAEC Collegium, by Decision N° 307 of 25 December 2013, added raw hides and skins of pigs, tanned leather from skins of cattle and pigs to the Singe List of goods subject to prohibitions or restrictions on imports or exports by the CU Member States in their trade with third countries.

Decision 3 of the Council of the Eurasian Economic Commission of 31 January 2014 imposed an import duty of 5% on certain types of A/C motors.

Decision 16 of the Council of the Eurasian Economic Commission of 28 March 2014 imposed an import duty of 8.3% (further brought to 6.7%) on certain types of rolls for rolling mills.

The EAEC Collegium's Decision N° 9 of 29 January 2014 was supposed to temporarily bring some of the CU import tariffs on various kinds of paper and cardboard in conformity with Russia's WTO commitments. According to this Decision, for the period from 1 March 2014 to 31 August 2014, the import duty rate for LWC paper was reduced from 12.5% to 10%, in line with Russia's WTO commitments. However, the duty rate for MWC paper was reduced only from 15% to 10%, rather than to 5% as envisaged under the WTO commitments. The import tariff for GC/GZ cardboard was retained at 5%. On 31 October 2014, the EU requested WTO consultations with Russia to solve the issue. A panel was established on 25 March 2015 and composed on 18 June 2015.

At the end of January 2014, Russia closed its market to EU live pigs, pork and other related products basing its decision on alleged cases of African Swine Fever (ASF) in Lithuania and Poland. The Federal Service for Veterinary and Phytosanitary Control (letter N° FS-EN-8/1644 of 5 February 2014 as amended by letter N° FS-EN-8/1644of 25.03.2014) imposed additional restrictions on imports of pork, products containing pork, and raw pork as of 6 February 2014.

Russia imposed as of 7 April 2014 temporary restrictions on the import from Lithuania and Poland of finished products containing pork, with exception of finished, heat-treated, feeds for cats and dogs (the Federal Service for Veterinary and Phytosanitary Control's letter N° FS-EN-8/5081 of 02.04.2014). After failing to achieve removal of these overly restrictive measures further to consultations with the EU, the EU in June 2014 requested the establishment of a WTO panel.

As of 7 May 2014, Russia introduced temporary restrictions on the import from Latvia of breeding pigs, semen of boars, pork, raw pork products, meat of wild boars and hunting trophies that have not undergone a complete taxidermy treatment, as well as on all kinds of feed and feed additives and used equipment for keeping, slaughtering and butchering of pigs (the Federal Service for Veterinary and Phytosanitary Control's letter N°FS-EN-8/7351 of 05.05.2014).

In December 2012, the List of goods subject to sanitary and epidemiological control and state registration in the CU was extended to include tubes and pipes, fittings, tanks and other parts of ferrous metals, copper, or aluminum (related Point 1 to the Attachment to the Council of the Eurasian Economic Commission's Decision N°115 of 17.12.2012, which entered into force on 18 June 2014).

On 26 March 2014, the Federal Service for Veterinary and Phytosanitary Surveillance (Rospotrebnadzor) issued an order banning imports of food products from three Lithuanian
cold storage terminals, affecting exports and transiting products of many origins (e.g. from the US or from Asia). The ban was implemented without proper justifications and advance notification to the Lithuanian authorities or the WTO.

- Federal Law №114-FZ of 05.05.2014 extended the competence of the Government to impose restrictions on the import to Russia and export from Russia by individuals of goods for personal use. The Government now has the right to set the norms for import of goods for personal use exempt from customs duties and taxes, as well as the norms of import of such goods sent by international mail.

- Since June 2014, Russia adopted a number of SPS restrictive measures in addition to the broad political ban on agricultural products (of 7 August 2014). None of these issues have been lifted since their introduction despite important efforts on the EU side:


2. On 1 August 2014, Russia adopted a ban on fruits and vegetables imports from Poland (FS-AC-3/13867 of 30 July 2014).

3. On 7 August 2014, Russia adopted a ban on agricultural and dairy products and on meat from the EU (Decree No.560 of 6 August 2014 and Resolution No.778 of 7 August 2014).

4. On 10 September 2014, Russia banned the import of third country plant products if they are re-exported from Poland (this was also not officially notified, but follows from Russian services/press).

5. Russia has applied a ban on imports of raw hides and skins between 1 October 2014 and 1 April 2015 and renewed it from 25 May 2015 to 25 November 2015 (Resolution N 378 of 21 April 2015).

6. Russia decided on 18 October 2014 to ban the imports of a number of animal products as of 21 October 2014, (offal and animal fat, not covered by the 7 August 2014 ban). On 25 November 2014, Russia extended this to by-products and fat used for food purposes (Resolution No. FC-EN-8/20219 of 20 October 2014).

7. On 30 November 2014, Russia prohibited transit through its territory of banned animal products unless entering from a limited list of specified border posts (entry via Belarus excluded) (Resolution No. 778 of 7 August 2014; Decree 560 of 6 August 2014 amended by Decree No. 320 of 24 June 2015; Decrees of Rosselkhoznadzor No. FS-NV- 7/22888 of 21 November 2014, No. FS-AS-3/22924 of 21 Nov. 2014, No. FSAS-7/24997 of 17 December 2014 setting checkpoints which should be used for import of goods. Rosselkhoznadzor in its letter of 21 November 2014 informed the Director-General of the European Commission for Health and Consumers (DG SANCO) that transit of these goods is only possible through the checkpoints located on the Russian part of the external border of the CU).

8. On 20 February 2015, Russia decided to ban Polish cheese-like products made by Ostrawia producers. In the modification of the political embargo that took place in June 2015, products under CN code 1901 90 990 0 were added to the banned list, i.e. food stuffs and finished products manufactured on the basis of the cheese production technologies and containing 1.5 % or more of milk fat and foods (milk containing products on the basis of vegetable fats). Therefore, also cheese-like products are
covered by the “7 August 2014 ban”. (These products were not included in the 7 August 2014 ban (no legal text)).

9. On 5 April 2015, Russia introduced a ban on the re-export of plant products with regard to Bulgaria.

10. On 4 June 2015, Russia adopted a ban on imports of canned fish from Latvia and Estonia.

11. Russia decided to impose temporary restrictions on poultry meat and all kinds of poultry products that have not undergone heat treatment (at least 70 °C), on feed and feed additives for poultry (except feed additives chemical and microbiological synthesis) and on used equipment for the maintenance, slaughter and butchering of birds, originating from the whole territory of Italy.

Saudi Arabia:

- On 9 June 2009 Saudi customs authorities announced a ban on the import of used vehicles older than 5 years for passenger cars, buses and light transport. The importation of heavy trucks over the age of 10 years was also banned. Imports of spare parts for old vehicles were not banned. A six-month grace period has been granted to Saudi importers to adjust, effectively postponing implementation until December 2009. No reason for the ban has been reported. In 2008, 140,000 used cars that were older than 5 years were imported. The total value of those imports was SR17.5 billion (US$4.7 billion) and accounted for a quarter of the value of all cars imported into Saudi Arabia in 2008.

- After a temporary exemption that lasted for two years, Saudi Arabia re-imposed import tariffs (5%, the standard import tariff rate in Saudi Arabia) for imports of steel (HS 7213; 7214; 7215), as from January 2010. Imports from Gulf Cooperation Council (GCC) members are exempted. The measure was notified the WTO Secretariat on 2 June 2010.

- On 26 July 2009 a certain restriction on import of water desalination equipment, notably on agriculture machinery including certain water pumps was introduced, in order to stimulate domestic production and support Saudi industry. Accordingly, there is an obligation for operators of desalination plants to favour spare-parts produced locally in Saudi Arabia. If locally produced spare parts are available which meet the standards set by the Saudi Arabian Saline Water Conversion Corporation (a government entity) then they need to be used. If they are not, the spare parts can be imported.

- The following agricultural machinery and equipment require approval by the Saudi Arabian Agricultural Banks: grading and levelling machinery used in agriculture and construction of embankments; harvesting, threshing and winnowing machinery and accessories thereof; and water pumps and their motors which are petrol, gas, diesel or electricity-powered whether engaged with the pumps or not.

South Africa:

- South African authorities adopted at the beginning of October 2009 an increase in import tariffs on 35 categories of imported garments (HS headings 61 and 62), from 40% to 45%. This hike remains however within the bound tariff commitments of South Africa.

- On 6 November 2009, the MFN rate of duty on shovels and spades, of a maximum blade width of more than 150 mm but not exceeding 200 mm (HS subheading 8201.10.05), has been increased from free to 20%. (Notice R.1048)
• On 4 December 2009, the MFN rate of duty on certain textile products (HS subheadings 6112, 6201 and 6211) were increased from 22% to 45%. (Notice R.1146)

• On 30 April 2009, South Africa increased custom duties on wheat and wheaten flour (HS subheadings 1001.90 and 1101.00) from free of duty to 14.07c/kg and 21.10c/kg respectively. (Notice R.341)

• On 28 May 2010, South Africa increased the MFN rate of duty on imports of glycerol (HS subheading 2905.45) from free to 10%. (Notice R.437)

• On 20 August 2010, South Africa increased custom duties on imports of calcium proportionate (HS subheading 2915.50.30) from free to 15%. (Notice R.738)

• On 20 August 2010, South Africa increased custom duties on imports of inorganic pigments (HS subheading 3206.20.10) from free to 10%. (Notice R.739)

• On 11 March 2011, South Africa increased the MFN rate of duty on towers and lattice masts for telegraphic power lines (HS subheading 7308.20.10) from free to 15%. (Notice R.194)

• On 11 March 2011, South Africa increased the MFN rate of duty on aluminium extrusions (HS subheadings 7604.10.35, 7604.10.65, 7604.29.15 and 7604.29.65) from free to 5%. (Notice R.195)

• On 22 July 2011, South Africa increased the MFN rate of duty on sewing thread of synthetic filament (HS subheading 5401.10) to 15%. (Notice R.593)

• On 14 October 2011, the MFN rate of duty for artificial turf (HS subheading 9506.99.10 and 9506.99.20) was increased from free to 10%. (Notice R.844)

• On 23 December 2011, South Africa increased the MFN rate of duty on mechanical water supply metres, designed for use with pipes with an inside diameter not exceeding 40mm, from free to 10% (HS subheadings 9028.20.10 and 9028.20.90). (Notice R.1067)

• On 04 May 2012, South Africa increased the MFN rate of duty on sinks and wash basins of stainless steel (HS subheading 7324.10) to 30%. (Notice R.349).

• On 18 May 2012, South Africa increased the MFN rate of duty on canned tomatoes and tomato paste puree and concentrates in powder form (HS subheading 2002.90) to 37%. (Notice R.375)

• On 08 June 2012, South Africa increased the MFN rate of duty on lawnmower blades (HS subheading 8208.40.10) to 20%. (Notice R.433)

• On 12 October 2012, South Africa increased the MFN rate of duty on alkyd resins (HS subheading 3907.50) from free of duty to 15%. (Notice R.813)

• On 12 October 2012, South Africa increased the MFN rate of duty to 20% on other aerials for reception apparatus for television, whether or not capable of receiving radio-broadcast, (HS subheading 8529.10.20). (Notice R.829)

• On 21 December 2012, South Africa increased the MFN duty on textile fabrics inter-layered or otherwise combined with bentonite clay (HS subheading 5911.10.20) to 25%. (Notice R.1083).
• On 21 December 2012, South Africa increased the MFN duty on conical steel drums of a capacity of 235 litre or more (HS subheading 7310.10.10) from free of customs duty to 15%. (Notice R.1084)

• On 21 December 2012, South Africa increased the MFN duty on set top boxes with a value for duty purposes not exceeding R5 000 (HS subheading 8528.71.01) from free of duty to 15%. (Notice R.1085)

• On 31 December 2012, South Africa increased the MFN rate of duty on uncooked pasta, not stuffed or otherwise prepared (HS subheading 1902.19) to 40%. (Notice R.1082)

• On 15 February 2013, South Africa increased the MFN rate of duty on molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption (HS subheadings 0307.39.10 and 0307.39.90) from free of duty to 25%. (Notice R.98)

• On 22 February 2013, South Africa increased the MFN rate of duty on laminated safety glass (HS subheadings 7007.21.20 and 7007.21.90) from 15% to 30%. (Notice R.120)

• On 12 April 2013, South Africa increased the MFN rate of duty on taps and mixers (HS subheading 8481.80.79) from 15% to 20%. (Notice R.269)

• On 10 May 2013, South Africa increased the MFN rate of duty on polytetrafluroethylene tape (HS subheading 3920.99.25) from 10% to 20%. (Notice R.338)


• On 15 November 2013, South Africa increased the MFN duty on furnaces (HS subheading 8545.11) from free to 10%. (Notice R.861)

• On 7 March 2014, South Africa increased the MFN and EFTA rates of customs duty on certain screws, bolts and nuts (inserted tariff subheadings 7318.16.20 and 7318.16.30) to 10% and 20% respectively. (Notice R.153)

• On 4 April 2014, South Africa increased the rates of customs duty, according to a variable formula tariff, on sugar (HS subheadings 1701.12, 1701.13, 1701.14, 1701.91 and 1701.99) from free (0%) to 132c/kg (Notice R.265).

• On 11 April 2014, South Africa increased in the MFN rate of duty on coated fine paper (HS subheadings 4810.13.20, 4810.13.90, 4810.14.10, 4810.14.90, 4810.90.90 and 4810.29.90) from free to 5%. (Notice R.272)

• On 25 April 2014, South Africa increased the MFN rate of duty on heat exchange units (HS subheading 8419.50) from 0% to 15% (Notice R.306).

• On 22 August 2014, South Africa increased the MFN rate of duty on vitrifiable enamels and similar preparations (HS subheading 3207.20.10) from free to 5%. (Notice R.632)

• On 22 August 2014, South Africa increased the MFN rate of duty on wire of iron or non-alloy steel, plated or clad with other base metals (HS subheading 7217.30) from free to 10%. (Notice R.633)
On 3 October 2014, South Africa increased the MFN rate of duty to 5% and 10% respectively on paper and paperboard, (HS subheadings 4802.56.20 and 4802.56.90). (Notice R.751)

On 3 October 2014, South Africa increased the MFN rate of duty on preserved mussels (HS subheadings 1605.53.20 and 1605.53.9) from 5.5 c/kg to 25%. (Notice R.771).

On 10 October 2014, South Africa increased the MFN rate of duty on certain paper products of paperboard coated, impregnated or covered with plastic or metal foil, (HS subheadings 4811.59.05 and 4811.90.05) from free to 5%. (Notice R. 774).

On 10 October 2014, South Africa increased the domestic-dollar based reference price for wheat and wheaten flour (HS subheadings 1001.91, 1001.99, 1101.00.10 and 1101.00.90) to 15,7c/kg and 23,5c/kg. (Notice 781)

On 6 February 2015, South Africa increased the MFN rate of duty on certain wire products, (HS subheadings 7314.41 and 7314.31) from 5% to 15% (Notice R. 68) as well as duties on certain helical springs from 5% to 30% (HS subheadings 7320.20.10 and 7320.20.90. (Notice R.69)

On 10 March 2015, South Africa increased the MFN rate of duty on preserved mussels (HS subheading 1605.53), to match duties implemented on 2012 on fresh and smoked mussels. (Notice R.711)

On 10 April 2015, South Africa increased the MFN rate of duty on lead acid batteries used for starting piston engines, from 5% to 15% for larger batteries, (HS subheading 8507.10.05) and have been retained at 5% for smaller batteries, (HS subheading 8507.10.10). (Notice R.308)

On 27 February, 29 May and 30 October 2015 South Africa significantly increased import duties for sugar (HS subheadings 1701.12, 1701.13, 1701.14, 1701.91 and 1701.99) to 304c/kg, reducing it on 18 December 2015 to 245c/kg, according to the variable tariff formula constructed based on the Domestic Dollar-based Reference Price (DDRP). (Notices R.173, R.445, R.1027)

On 13 March, 19 June and 25 September 2015, South Africa significantly increased import duties for wheat and wheaten products (HS subheadings 1001.91, 1001.99, 1101.00.10 and 1101.00.90), according to the variable tariff formula constructed according to the Domestic Dollar-based Reference Price (DDRP) to 76.59c/kg and 136.68c/kg respectively. (Notice R.209, R.533, R.895)

On 25 September 2015 South Africa increased the MFN rate of duty on certain steel products (HS subheadings 7210.41, 7210.49, 7210.61, 7210.70, 7210.90, 7212.30, 7212.40 and 7225.99) from free to 10%. (Notice R.895)

On 4 December 2015 South Africa increased the MFN rate of duty on certain large bore steel pipes (HS subheading 73.03, 73.05 and 73.06) from free and 10% to 15%. (Notice R.601)

Switzerland:

A November 2013 revision of article 48.2 of the Federal Law on Agriculture and an Ordinance on Beef Cattle changed the system for allocating tariff quotas on imported meat (beef, sheep, goat and horse meat). The change favors domestic production at the expense of
imports. Since 2015, 40% of the tariff quota is based on the number of animals slaughtered in Switzerland.

- On 18 December 2015, both Chambers of Parliament adopted the revised law on custom tariffs, moving uncooked seasoned meat (CN code 1602.5099) from chapter 16 to chapter 2 of the customs tariff. This means that the out of quota tariff is increased from CHF 638 to CHF 2000 per 100kg.

Taiwan:

- On 14 November 2013, Taiwan Food and Drug Administration (FDA) put into place new regulations on imports of olive oil following a fraud incident in the Taiwanese market. Based on Article 18 of the Act Governing Food Safety and Sanitation, a new testing regime has been introduced for the addition of copper chlorophyll (CC), a substance that occurs naturally in virgin olive oil and is without health concern. The additional requirement of an official certificate regarding levels of CC had a significant impact on Spanish and Italian olive oil exports to Taiwan, making exports more cumbersome and costly, thus creating barriers for further expansion, in particular for smaller producers.

- On 9 February 2014, the Council of Agriculture of the Executive Yuan removed Poland from the list of non-infected countries for African Swine Fever. The country wide ban has been in effect since then, in contradiction with the regionalisation principle under the WTO/SPS agreement and the practice of using the least trade disruptive measure as advocated both by WTO and the Organisation for Animal Health (OIE).

- On 29 October 2015, the National Treasury Administration of Ministry of Finance banned around 200 bottles of European wine from being imported into Taiwan due to higher-than-allowed methanol content. The threshold for methanol (2000mg per liter ethanol), set by Taiwan's Hygiene Standard of Alcohol Products is not in compliance with the relevant international standard set by the OIV. While the standard itself is not new (the Act on Hygiene Standard of Alcohol Products has been in force since 19 April 2000), NTA has not tested European wine for methanol previously and the inconsistency has not been identified earlier. This inconsistency with the international standards results in a trade barrier (in addition to damage to the brand image of European wines).

- Starting 20 October 2015, the Agriculture and Food Agency (AoA) under the Council of Agriculture prohibited organic olive oil exported from EU MS from being sold as 'organic' in the market because of positive test results on plasticizers. AoA applies a zero-tolerance policy for residues regarding organic products based on the "Organic Agricultural Products and Organic Agricultural Processed Products Certification Management Regulation", effective from 26 July 2007. AoA has stepped up its testing in 2015, and the strict interpretation of the regulation makes it virtually impossible to enter the market.

Turkey:

- Turkey has introduced tariff increases on certain woven fabrics and apparel products. Additional tariff rates vary by country groups excluding the EU and the FTA partners of Turkey, reaching up to 20 % and 30 % for fabrics and apparels respectively. Generalised System of Preferences (GSP) imports, with often important inputs for EU processing or distribution channels, continue to be covered by the measures.

- In 2014-2015, Turkey introduced tariff increases affecting a large number of products through separate governmental decisions, including footwear (2 August 2014, Cabinet Decree 2014/6692 published in the Turkish Official Gazette 29076 of 2 August 2014),
certain steel products (Cabinet Decrees no 2014/6884, 2014/6885 OG of 18 October 2014, no. 29149 of 18 October 2014), hand tools (Cabinet Decree 2015/7241, OG of 6 February 2015, no. 29259) and carpets (Cabinet Decree 2015/7252, OG no. 29271 of 18 February 2015), furniture (Cabinet Decree 2015/7699, OG no. 29364 of 23 May 2015), lamps (Cabinet Decree 2015/7712, OG of 7 June 2015, no. 29379), home appliances, including vacuum cleaners and their parts (Cabinet Decree 2015/7713, OG no. 29379 of 7 June 2015), bags, travel goods, handbags and similar containers (Cabinet Decree No. 2015/7722 20 June 2015), and certain steel and iron products (bars and rods, wires, nails etc.) (Cabinet Decree No. 2015/7749 of 5 July 2015). Additional duty rates for different product groups reach up to 50 %. EU and the FTA partners of Turkey are excluded from the tariff increases while products originating from GSP and non-FTA partners are still subject to the increased tariffs even if the products concerned are in free circulation under the EU-Turkey Customs Union and imported into Turkey. This contradicts the provisions of the EU-Turkey Customs Union.

• Turkey has introduced a new Regulation that requires ‘certificates approved by the relevant authorities of the origin or loading country for herbal food and feeds as well as for articles and materials contacting with food to be imported by Turkey’. The Regulation entered into force on 1st January 2012. It deviates from the previous practice according to which a "declaration of compliance by the producer" was considered sufficient. According to the new regulation authorities of the exporting country are requested to provide 'the names of the official institutions which have the authority to sign such certificates' and 'samples of the certificates'. This practice creates substantial additional work for the local Food Safety Authorities of the exporting countries. Those consignments of food contact materials exported from an EU country to Turkey, which have not been accompanied by a certificate, but only a declaration of compliance by the producer, have been blocked in the Turkish customs.

• Turkey has substantially extended the surveillance regime to additional categories of products as an informal trade defence instrument that actually requires obtaining an import license and imposes an import minimum price. These measures cover a wide range of products and hundreds of tariff lines in various chapters of the nomenclature. The Ministry of Economy increased CIF/customs values for numerous products, including parts for lifts to impose a surveillance certificate request or to increase the actual value declared if the value of the products is below the threshold (minimum value).

• On 15 July 2013, Turkey increased import tariffs on walnuts from 43.2% to 66%.

• On 24 October 2014, Turkey introduced, through a circular, a requirement not in line with the EU aquis in this area, concerning enzymes and products that contain live microorganisms. The measure obliged exporters to provide the Ministry of Food, Agriculture and Livestock with a certificate issued by the responsible authority of origin or the country of loading, confirming that the organism from which the enzyme is obtained is not genetically modified. The practice blocked the imports until a clarification was provided by the Biosafety Board. Subsequently, through another circular from the Ministry, the requirement was removed for enzymes as of 5 May 2015. However, the requirement still remains for the products that contain live organisms such as yeasts.

Ukraine:

• In September 2012, Ukraine notified the WTO of its intention to modify under Article XXVIII of the GATT import tariffs for 371 tariff lines, both for agricultural and industrial products. Ukraine has not yet revealed at what level it would request to re-bind the affected tariff lines which makes it difficult to assess the impact of this adjustment on trade flows. With such a massive renegotiation agenda it is hard to see how Ukraine would be able to maintain a
general level of reciprocal and mutually advantageous concessions required by WTO rules for such cases. This behaviour undermines the legal certainty of the WTO system and the value of Ukraine's commitments when it joined WTO. In the context of the Macro Financial Assistance provided for Ukraine by the EU, Ukraine committed to "consult with EU and WTO members on its request for renegotiation of its WTO commitments under article XXVIII of the GATT, so as to address systemic concerns raised by WTO members". As agreed with Ukraine, the consultations were to "result in a further substantial reduction of the number of tariff lines affected by the renegotiation request". Subsequently, in June 2014 Ukraine indicated that they intended to abandon Art. XXVIII negotiations which they effectively did in 2015.

- On 1 January 2013 Ukraine increased the applied import duties on 131 tariff lines.

- In March 2013 the Cabinet of Ministers of Ukraine approved a resolution (No 225) introducing a quota of 10.2 million tonnes for coking coal and a "zero" quota (a ban) for imports of coke into Ukraine (even if later on Ukraine announced a slight increase of the coke quota). It is likely that this measure is WTO incompatible as it amounts to a quantitative restriction prohibited by Article XI:1 of the GATT and it is doubtful that it could be justified under the existing GATT exceptions. Moreover, pursuant to the terms of its accession to the WTO, Ukraine does not benefit from any derogation with regard to WTO rules applicable to quantitative restrictions. **Ukraine did not implement the quotas for 2014 and the issue appears as solved today. However, the measure has not been formally rolled back.**

- On 1st March 2015, an import surcharge of 5-10% (5% for all goods, except 10% for agricultural products and 0% for a limited number of products such as pharmaceuticals) was adopted as a "balance of payments measure" (GATT article XVIII). It was subsequently discussed in the balance of payment committee of the WTO where no consensus was reached. It was temporary and came to an end on 31 December 2015, as part of the adoption of the 2016 budget.

**United States:**

- A 'National Dairy Promotion and Research Program' was introduced on 18 March 2011, as a follow up to the 2008 Farm Bill. It introduces, inter alia, a requirement for importers to pay 7.5 cents per hundredweight of imported milk, or equivalent. The levy will be used to fund promotion and research in the dairy sector. **The programme was extended through 2018 by the new Farm Bill, which was signed into law on February 7th, 2014.**

- On 2 December 2013, an EU airline, Norwegian Air International (NAI), applied to the U.S. Department of Transportation (DOT) for a Foreign Air Carrier Permit and an Exemption Authority that would allow it to commence air services between points in the EU and points in the US. In February 2014, NAI was granted its Air Operator Certificate and Operating Licence by the competent national authorities in the EU (Ireland), and its application before DOT was deemed “complete”. Under the EU-US air transport (so-called “open skies”) agreement, each side is obliged to grant applications with “minimum procedural delay”. DOT’s procedures allow a public comment period on applications by foreign air carriers, and NAI’s application attracted significant opposition, notably from US labour unions, and also from a number of the large US passenger airlines. On 2 September 2014 the DOT issued an Order dismissing on procedural grounds the application by NAI for Exemption Authority (i.e. temporary permission). **Its application for the permanent Foreign Air Carrier Permit remained pending at DOT over 18 months after its application was complete. On 2 September 2014, the DOT issued an Order dismissing on procedural grounds the application by NAI for Exemption Authority (i.e. temporary permission). NAI’s application for a Foreign Air Carrier Permit remains outstanding, over two years since it was submitted. Typically such applications should be granted within 60 days.**
Vietnam:

- An official Letter 348/TCHQ-TXNK on List of Administrated Imported Goods at Risks and (Reference) Prices was issued on 21 January 2011 by the General Department of Customs (under the aegis of the Ministry of Finance). It entered into force on 29 January 2011. This document together with an enclosed list of commodities (4 HS digits, covering 13 categories of products) sets reference prices for imported goods and identifies countries where such products are originating. Based on the reference prices, import tariffs are calculated where the transaction value is lower than the reference price. The purported purpose is to set up a database for the fight against trade fraudulence and under-priced declaration.

- As per the above a sister measure, Official Letter 2334 was issued on 23 May 2011 and entered into force on 1 June 2011. It expands the List of Administrated Imported Goods to cover seven additional categories of products. This Official Letter 348/TCHQ-TXNK and the Official Letter 2334 were further revised by the Official Letter numbered 5486/TCHQ-TXNK dated 10 October 2012 with more commodities being added to the list of referenced prices. The Official Letter numbered 5486/TCHQ-TXNK modifies the reference prices and adds 737 more items to this list.

- Circular 20/2011/TT-BCT on supplementary procedures for imports of cars with 9 seats or below was issued on 12 May 2011 and took effect on 26 June 2011. This circular in fact requires importers of motor vehicles for transport of up to nine persons to include additional customs papers (Dealer Certificate/ Paper of Trader Authorisation) to their customs dossiers. Besides, this circular requires that such papers must be approved by Vietnamese consulate in the exporting country. This measure caused additional costs and delay to importers. It is expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.

II. EXPORT RESTRICTIONS

Algeria:

- The Financial Law of 2014 contains restrictions or bans on exports, notably of leather, scrap metal, used car batteries, which are all subject to an administrative procedure and to tying requirements.

Argentina:

- Law 26732, passed by the national Congress on 28 December 2011, extended for five years the export tax on hydrocarbons, which had been established by Law 25561 in 2002.

- Decree 7, issued on 7 January 2012, extended the 5% export tax on bovine hides and skins until end 2015 (CC 4101.20, 4101.50, 4101.90, 4104.11, 4104.19, 4104.41 and 4104.49). These positions now fall under the new range of export taxes approved by Decree 133/2015 of 17 December 2015. Since the above-mentioned 5% came in addition to other rates established by different regulations, the new range actually implies a reduction of the export tax for the involved tariff lines, from 10-15% to 5-10%.

- Decree 1339/2012-PEN - Raised the export tax on biodiesel (CC 3826.00.00) from 20 to 32% and eliminated the drawback for this product (previously of 2.5%). Therefore, the export tax applied on biodiesel became the same as the tax on soybean oil, the underlying raw material (10.08.2012). This export tax level was later amended by Decree 1719/2012-PEN, which set a variable tax rate determined every second week. (20.09.2012). The applicable values have
been regularly modified subsequently and are published on a monthly basis by the Secretariat of Energy. This mobile scheme was confirmed by Decree 25/2016 of 7 January 2016.

- Resolution 800/2012-MEFP increased export tariffs on skins from sheep from 10 to 15%, in order to promote the industrialisation of the sector (05.12.2012). These rates were reduced to 10% by Decree 133/2015 of 17 December 2015.

- General Resolutions 3518, 3519/2013 set reference values for exports of Argentine squids and mate herb.

- Decree 2014/2013-PEN increased export taxes for soy residues and soy by-products used in animal feeding (HS 2302.50.00, 2308.00.00 and 2309.90.90) from 5 to 32% (03.12.2013).

- General Resolutions 3557/2013 and 3578/2014 set reference values for exports of certain raw and tanned hides and skins.

Belarus:

- On 16 March 2011, Belarus introduced an export duty on linseed, rapeseed and rapeseed oil on a temporary basis, until 16 September 2011.

Brazil:

- Presidential administration is reportedly considering creating an iron ore export tax meant to spur investment in local steel production and reduce reliance on commodities exports. According to market analysts, given the current tight world market conditions, driven by a continuously growing demand, if Brazil (world's second largest exporter) decides to restrict its supplies to reallocate them for domestic use, it could lead prices to jump from their current already extreme prices to the range of USD 220-230/tonne in H1 2012.

- Exports of hides and skins of cattle, horses and sheep - HS codes 41.01, 41.02, 41.03, 4104.11 and 4104.19, are subject an export tax of 9%.

- Exports of some products are prohibited for reasons of environmental protection and compliance with international agreements. Exports of some organic chemicals (included in HS Chapter 29) to non-signatories of the Montreal Protocol are prohibited. Exports of wood in the rough (HS 4403) are generally suspended unless certain conditions are met, and require the approval of the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA). Exports of raw leather of amphibians and reptiles are also prohibited. In accordance with United Nations Resolutions, Brazil prohibits exports of weapons and military equipment to the Democratic Republic of Congo, the Democratic People's Republic of Korea, Eritrea, Iraq, Ivory Coast, Liberia, Libya, Sierra Leone, Somalia, and Sudan, as well as exports of materials and technology that could lead to the development of nuclear weapons to Iran.

- Exports of "sensitive products" are subject to control by the Inter-Ministerial Commission for the Export Control of Sensitive Goods (CIBES) under Law No. 9,112 of 10 October 1995. The CIBES is responsible for preparing regulations, criteria, procedures, and control mechanisms for the exportation of sensitive products and their related services. Law No. 9,112 defines as sensitive: double-use goods that could be utilized for war purposes; goods of use in nuclear activities and equipment, chemical or biological goods that may be used for war purposes; and services directly linked to the production or use of a sensitive good. Exporters of sensitive products must apply to the CIBES for a licence which will take into account the international conventions and regimes related to chemical, biological, nuclear, and missile technologies. The lists of controlled products and services are prepared, updated, and approved by the CIBES.
Some products listed in Annex XVII of SECEX Ordinance No. 23 of 14 July 2011 are subject to tariff quotas/licences when exported to certain markets. These include exports of some types of bovine meat and poultry products, and exports of sugar to the EU. Quotas are administered on a first-come-first-served basis through an export licensing procedure managed by the DECEX. In the case of bovine and poultry meat, the producers must be accredited by the Ministry of Agriculture (MAPA) and accepted by the EU as safe exporters in order to obtain a quota. Exports of milk (HS 0402) to Colombia must obtain a MERCOSUR quota authorization from DECEX in order to benefit from the access conditions under the Economic Complementary Agreement.

Exports of certain wood (pine, imbuia and virola) are subject to specific rules and require prior authorization from the IBAMA. Exports of mahogany, Brazil wood, and cedar require CITES permission, which is issued by the IBAMA. Exports of jacaranda from Bahia (HS 4407.29.90) are subject to special rules on the grounds that this wood is becoming extinct. Normative Instruction No. 77 of 7 December 2005 establishes the procedures for exporting wood products and sub-products, including pine, imbuia and virola. Exports of rough diamonds require a Kimberley Certificate.

Exports of a relatively large number of products require prior authorization from the relevant government agencies, mainly for safety, health, security, or environmental reasons, or when they are subject to export quotas. As at 30 December 2010 (latest information available), the list included some 1,055 tariff headings at the HS eight-digit level (HS 2007), representing around 10% of all tariff headings and involving 53 HS Chapters.149 Products subject to prior export authorization are mainly organic and inorganic chemicals (55% of the products), pharmaceuticals, wood products, some vehicles and aircraft, mineral fuels, fish and crustaceans, raw hides and skins, arms and ammunition, and live animals. Wild animal leather products are subject to authorization from IBAMA on grounds of native fauna protection. Several agencies are responsible for issuing licences; and some products require authorization by more than one agency.

China:

China maintains export duties on more than 300 raw materials tariff lines, and in certain cases applies export quotas. Further to a recent WTO ruling, China removed such restrictions for nine products (12 tariff lines), but it did not do so in the spirit of the ruling for remaining tariff lines. Therefore, the EU, Japan and the United States requested on 27 June 2012 the establishment of a new WTO dispute settlement panel concerning China's export restrictions on rare earths, tungsten and molybdenum. Also in this case, the WTO Appellate Body confirmed on 7/8 August 2014 that China’s export duties and quotas at issue are incompatible with China’s WTO obligations. Accordingly, on 23 April 2015 China’s Ministry of Finance (MOF) issued the “Notice of the Customs Tariff Commission” concerning the implementation of the 2014 WTO Appellate Body ruling concerning China’s export restrictions on rare earth, tungsten and molybdenum (DS431, DS432 and DS433). With effect from 1 May 2015, the export tariffs on several products, including iron and steel granules and powders; rare earth; tungsten and molybdenum was abolished. The Chinese rare earth export tax rates previously ranged from 15 to 25%: 15% for LREE (light rare earth elements) and 25% for HREE (heavy rare earth elements). To "compensate" for the removal of the rare earth export tariffs, China applies since 1 May 2015 a resource tax applicable to rare earth, tungsten and molybdenum calculated as a fixed rate applied on a price basis and not on a quantity basis. The level of the tax ranges from 7.5 percent to 11.5 percent for light rare earth depending on the areas of productions. For medium and heavy rare earth, the tax is 27 percent. The government also set tungsten resource tax at 6.5 percent and for molybdenum at 11.0 percent, the ministry said on its website.
• The Ministry of Commerce issued on 31 December 2014 a catalogue of commodities subject to export license administration in 2015. This catalogue covers in particular rare earths, tungsten, and molybdenum.

Egypt:

• On 20 September 2010, the Ministerial Decree 450/2008 imposing the ban on exports of rice was extended until 1 October 2011. Any surplus rice is allowed for export after meeting domestic demand, with an export duty set at the level of 2,000 EGP/tonne (HS 100610 to 100640). Broken rice (HS 100640) can be exported at 100 EGP/tonne. An export quota for export of milled rice (HS 100630) has been set at 100,000 tonnes every two months. The system is managed through export licence system. On 19 September 2011, Ministerial Decree 466/2011 prolonged until 1st of October 2012 the export ban on rice introduced by Decree 450/2008.

• Since June 2011, higher export duties on certain industrial raw materials are applicable, as specified by the Ministerial Decrees 277 and 278/2011. Export duties on crude marble (HS 2515.11) and granite (HS 2516.11) were raised from 80 EGP/ton to 150/ton; and for unwrought lead, lead waste and scrap (HS 78.01 and 78.02) from 2,000 to 3,000 EGP/ton. The measure was set to apply for 6 months in the case of marble and granite, and for one year in the case of the other materials. For marble and granite, the Ministerial Decree 707/2011 has extended until 12/12/2012 the application of the 150 EGP/ton duty.

• In November 2013, rice exports were suspended until further notice.

• Egypt's Minister of Trade approved Decree No 776 on 11/10/2014 allowing rice exports provided the traders sell the government one tonne of medium-grain rice at 2,000 Egyptian pounds ($279.72) for every tonne of rice they export. Exporters would also have to pay a tariff of $280 per tonne exported. On 1 September 2015, export of rice previously permitted, subject to licensing, by the ministerial decree No. 776, was banned. On 3 October 2015, Egypt's Trade and Industry Minister Tarek Qabil issued a decision allowing the export of milled rice, but imposing export fees of LE2,000 per ton of rice.

• An export tax on sand (40 EGP per ton) was imposed on 20 January 2014 for six months.

• A ban on the export of solvents, essential in paint manufacturing and comprised mainly of diesel fuel, was issued in June 2014.

• Currently there are export taxes in place on marble and granite, metal scraps, nitrogen fertilizers and sand. Each tonne of raw marble and granite is levied a tax of LE200, and a tonne of any kind of exported sands faces a tax of LE50.

India:

• An export tax of 5% on iron ore was re-introduced (from the previous 0% regime). At the same time, the export tax on iron ore concentrates was increased from 5% to 10%. Both measures apply as of 24 December 2009. On 29 April 2010, India increased the tax from 10% to 15%. On 1 March 2011, the export duty on iron ore fines and lumps (other than pellets, HS 260111 and 260112) was raised from 5% and 15% to a unified rate of 20%. This unified rate was further raised to 30% with effect from 30 December 2011. On 1 March 2011, India introduced an export duty of 10% on de-oiled rice bran cake.

• On 16 March 2011, India reduced the Minimum Export Price (MEP) of onions (HS 0703 10 10) other than Bangalore Rose onions and Krishnapuram onions from $350 metric ton to $275
per metric ton. On 7 September 2011, a singles MEP was fixed for all varieties of onions, including Bangalore Rose onions and Krishnapuram onions at 475 $/metric ton. As of 9 September 2011, export of all varieties of onions is prohibited with immediate effect till further notice. On 11 January 2012, MEP on Bangalore Rose onions and Krishnapuram onions was reduced from $ 300 per metric ton to $250 per metric ton. On 29 June 2012, onions were allowed for export without any MEP. On 17 June 2014, an MEP of US$ 300 per MT on export of all varieties of onions was introduced and was further increased to US$ 500 per MT on 2 July 2014. On 26 June 2015, India reduced the MEP to US$ 425 per MT on all varieties of onions.

- The export duty on chromium ores and concentrates all sorts was increased from Rs. 3000 per tonne to 30% ad valorem.

- In the Budget 2013-14, export duties were introduced for Bauxite (natural, not calcined) at the level 10%, Bauxite (natural, calcined) at the level of 10%. In the Budget 2013-14, export duties were also introduced for Ilmenite (unprocessed) at the level of 10%, Ilmenite (upgraded, beneficiated ilmenite including ilmenite ground) at the level of 5%. On 11 July 2014, export duty on both Bauxite (natural) calcined and not calcined was raised to 20%. On 1st March 2015, export duty on Ilmenite, upgraded (beneficiated ilmenite incl. ilmenite ground) was reduced to 2.5%.

- Through notification 56/RE–2013, India restricted the exports of Dimethylamine Hydrochloride, Sodium Cyanide and Sodium Fluoride, and made them subject to licensing.

- On 26 June 2014, India introduced a Minimum Export Price of US$ 450 per MT on potatoes.

- On 6 February 2015, India reduced the MEP on export of edible oils in branded consumer packs of up to 5 kgs to US$ 900 per MT. Earlier it was US$1100 per MT.

- On 11 July 2014, India increased the export duty on bauxite to 20%. On 30 April 2015, it reduced export duties to 10% on certain low grade iron ore fines (Iron Ore Fines below 55% Fe and 10% on 55% Fe or more but below 58% Fe), while however still maintaining export duties of up to 30% on other forms and qualities of iron ore fines and lumps.

**Indonesia:**

- Ministry of Fisheries Decree 5/2008 on Catch Fishing Business requires both domestic and foreign fisheries companies to set up fish-processing industry in Indonesia. According to the press statement, caught fish has to be processed domestically first before exportation. The stated purpose is to create added value to the Indonesian fisheries sector and to create jobs.

- Decree 36/2009 of 11 October 2009 introduced export controls on raw rattan. Ministry of Trade extended the decree 36/2009 on Rattan Exports that expired in August 2011 to ban again the exports of raw rattan from Jan 2012 (MoT Reg 35/2011). Reg. 35/2011 bans rattan under HS Codes 1401.20 consisting raw rattan, original rattan, washed and sulphureted rattan, and half-made rattan. For rattan under HS Codes 4601, 4602, 9401 and 9403 can only be exported by a company appointed as Registered Exporter of Forestry Industry Product. For such rattan products, they have to go through pre-shipment verification before they are exported.

- Regulation No. 67/2010 introduced a progressive export duty on cocoa, fluctuating between 0% and 15% depending on the world market price. The funds from the export tax would be used for developing the national cocoa industry.
On 30 September 2011 Bank Indonesia issued three regulations that reflect its foreign exchange policies. The regulations are the Regulation on Foreign Exchange Export Proceeds and Foreign Exchange Debt Drawdowns (13/20/PBI/2011); the Regulation on Monitoring of Banks' Foreign Exchange Activities (13/21/PBI/2011); and the Regulation on Foreign Exchange Debt Drawdown Reporting Obligation (13/22/PBI/2011). Regulation 13/20 stipulates that all foreign exchange export proceeds must be received and deposited by the exporter in a foreign exchange bank. For monitoring purposes, Bank Indonesia also requires that exporters report their export activities to foreign exchange banks, which in turn are required to pass on the information to Bank Indonesia. Regulation 13/21 became effective immediately, whereas Regulation 13/20 and Regulation 13/22 were effective on January 2, 2012. 

Bank of Indonesia Regulation No.14/25/PBI/2012 of 31 March amends the previous regulations to include all exporters, importers, courier service companies and their clients, foreign banks, foreign creditors as well as their debtors.

Ministry of Trade Regulation No. 13/M-DAG/PER/3/2012 was issued in March 2012 (in force as of July 2012) to address current uncertainties regarding the legality of exports and their restriction or limitation. This was previously regulated by No. 558/MPP/Kep/12/1998 ('1998 Regulation'). The regulation stipulates three types of goods for export (Article 2(1)): goods free for export, limited export goods, and restricted export goods. Article 4(2) allows the Minister to limit the quantity or type of exported goods based on national security or national interests (a); human health, animals, plants or environmental safeguards (b); international agreements or treaties (c); shortage of goods or conservation purposes (d); the export destination's market capacity (e); and raw material shortages (f). Decisions to restrict goods are to be based on similar considerations (4(3)): threats to national security and interests; intellectual property rights protection; human life and health protection; environmental destruction; and the implementation of international agreements or treaties. The regulation also requires businesses to provide the following documentation: recognition as a registered exporter; export approval; surveyor's report; certificate of origin; and other supporting documents required by legislation. They will also have to supply monthly reports to the Ministry.

Finance Minister Regulation 27/2010 and Trade Minister Regulation 19/2011 on export taxes on palm oil, cocoa, rattan, wood, and leather. Currently enforced taxes are aimed to increase domestic value added.

Trade Minister's Regulation 78/2012 concerning provisions on the export of tin limit exports of the latter from January 1, 2013 up to June 30, 2013, including Bar Tin, Tin in other forms (Tariff Post/HS 8001.10.00.00 and 8001.20.00.00), and Solder Tin (Tariff Post/HS 8003.00.10.00 and 8003.00.90.00). Bar Tin and Tin in other forms may be exported if they contain Stannum with the lowest level of 99.85% Sn.

Minister of Energy and Mineral Resources (ESDM) Regulation No. 7 of 2012 on Increasing Value-Added Minerals. Through Processing and Refining bans the exports of unprocessed minerals, except coal, from 2014. Regulation No.7/2012 was revised by Regulation No.11 of 2012, which lifts the export ban provided that exporters process and purify the minerals, or present a feasible plan to do so. Export of mineral ores and coal are allowed up to 12 January 2014. MOT Reg. 44/2014, dated 24 July 2014 and enforced since 1 Nov 2014, revokes MOT Reg. 78/2012. Regulation 44/2014 redefines the export procedures for tin. It stipulates tin specification to be exported: pure tin, non-bar pure tin, soldered tin and non-soldered mixed tin. Minister of Trade Regulation No. 44/2014 has been amended with Minister of Trade No. 33/2015, issued on 12 May 2015 and effective as of 1 August 2015. The regulation simplifies the tin categories into three categories, whereas previously there were four categories, but does not introduce any major changes to the export procedures.
Government Regulation (GR) No 1/2014 was issued as the second amendment of GR No 23/2010 (as further amended by GR No 24/2012) concerning the Implementation of Coal and Mineral Mining Business Activities. Under this regulation, holders of Contracts of Work (CoW) must refine their mining products domestically, and holders of mining business license (IUP) must process and refine their products domestically. Holders of CoW and IUP may export their products in specific amounts, with the details to be regulated in a Ministerial Regulation. Ministry of Energy and Mineral Resources Regulation No 1/2014 defines the refining and processing activities. Furthermore, it sets the minimum levels of domestic processing and refining for metallic minerals, non-metallic minerals, and rocks prior to export.

Ministry of Finance Regulation No. 6/2014 imposes a progressive export tax (up to 60% by 2016) on certain minerals and rocks that are still allowed to be exported according to MEMR 1/2014. The taxes are designed to give disincentives for COW and IUP holders from exporting semi-processed products. Ministry of Finance Regulation No. 153/2014 aims at providing incentives in the form of competitive export duty tariffs for all mining companies that commit to constructing a smelter in Indonesia. Incentive levels vary from one mining company to another and are dependent on the construction progress of their smelter, from 0% (no export duty), 5% to 7.5%. Additionally, the Regulation changed the export tariffs for concentrated minerals for mining companies that are not committed to constructing their own smelter.

The Minister of Energy and Mineral Resources issued Regulation No. 8 of 2015 to amend Ministerial Regulation No 1 of 2014 on increasing the Value-Added to Minerals through Domestic Processing and Purification. The regulation has been in force since 4 March 2015. According to the regulation, the Amendment aims to improve the efficiency of mandatory domestic minerals processing/purification, as required under Law No 4 of 2009 on Mineral and Coal Mining. To achieve this objective, the Amendment makes changes to the following provisions: a) Joint operation between mining companies in fulfilling the obligation set by the government to process/purify export-bound minerals domestically; b) Optional cooperation between mining companies and research or educational institution to develop in-country mineral processing/purification; and c) Obligation for in-country purification process of the side product/residue resulted from iron ore purification. The Amendment also amends the Minimum Requirement level for 39 types of minerals as set out in Appendix I – III of the Amendment.

As an amendment to Reg nr 75/2012, Indonesian Ministry of Finance issued regulation nr 136/2015 on 14 July 2015, revising the export taxes applicable to Crude Palm Oil (CPO) and its Derivatives. Notably, a fixed levy of USD $50 per metric ton on CPO exports and a USD $30 per metric ton levy is imposed on exports of processed palm oil products when CPO prices decline below the government’s threshold of USD $750 per ton. This levy is effective from July 2015, in order to encourage the local value addition, notably for biofuels production. However, when CPO prices exceed the USD $750 per ton threshold, then a CPO export tax is reintroduced (which can go up as high as 22.5 percent when CPO prices surge far above the USD $750 per ton threshold), while the USD $50 per ton levy is scrapped.

Malaysia:

The 1998 Decree on Customs (prohibited exports), in accordance with the 1967 Law on Customs, sets out in three annexes the rules for control of exports. The first annex includes items subject to an absolute prohibition for export, for example exports of oil and petroleum products to Haiti, arms and other related materials of all types, including weapons and munitions, military vehicles and equipment, police equipment and spare parts. Exporting turtle eggs is forbidden as is exporting rattan from the Malaysian peninsula. The second annex covers goods subject to export licences. The third annex covers goods which may only be
exported if they fulfill certain conditions, linked to the protection of wildlife, health, security and antiques. MITI and the Ministry of Domestic Trade and Consumer Affairs administer the licenses for most goods subject to control.

- As of September 2015, exports of two product categories (poisonous chemicals/minerals, natural sands) are prohibited.

- Exports of 25 product categories (including rubber budwood/seeds for sowing or planting, palm living tissues/fruits/seeds/pollens/oil/fats, pineapple, sugar, minerals/ores/sands, bricks, cement, chemicals, naphtha, several wood products, and all goods to be exported to Israel) are subject to export licensing requirements, with licences issued by various public agencies (MITI, Ministry of Plantation Industries and Commodities, Ministry of Natural Resources and Environment, Ministry of Health) and public sector agencies (Malaysian Palm Oil Board, Malaysian Pineapples Industries Board, Malaysian Timber Industry Board).

- Exports of 39 product categories (including live/dead animals/fish/plants, raw hides and skin, wool, leather, milk and milk-based products, yeast, meat products, pasta, ice cream, soups, animal feeding preparations, fertilizers of animal origin, paddy rice, rice flour, vegetables, coconuts, coffee, sugar cane, wheat flour, toxic wastes, pesticides, diesel fuel, petrol, liquefied petroleum gas, rubber and rubber products and gloves) are subject to permit or approval and inspection by different government agencies.

- Export duties, mainly of 5%, 10%, and 15% (f.o.b. basis), affect a number of products, including timber, live animals, ash and residues, crude petroleum, precious metals, nickel, copper, and ferrous waste and scrap.

- The most important of these, crude palm oil, has been subject to export duties as of 1 January 2013 based on a new Export Duty Structure, with duties ranging from zero to 8.5%, assessed on the basis of the market situation.

- The recently concluded TPP agreement will implement a standstill on the basis of existing export duties as of entry into force.

- **From July 2014 until December 2015, Malaysia has introduced the following export licensing related measures:**

  - Customs Amendment Order 2015 (Prohibition of Exports) which changed the requirements to export certain rubber products in terms of licensing. Published 26 January 2015, effective date 2 February 2015.

  - Customs No 2. Amendment Order 2015 (Prohibition of Exports) which changed the certifying Ministry for certain products. Published 26 January 2015, effective date 2 February 2015.

  - Customs (Prohibition of Exports) (Amendment) (No. 3) Order 2015, which added various products containing mercury to the list of prohibited exports. Published 9 October 2015, effective date 1 November 2015.

**Nigeria:**

- Nigeria has export bans on a number of products, including maize, timber (rough or sawn), raw hides and skins (including wet blue and all unfinished leather, H.S. Codes 4101.2000.00 - 4108.9200.00), scrap metals, unprocessed rubber latex and rubber lumps, artefacts and antiques and all goods imported.
Pakistan:

- On 13 April 2009, Pakistan imposed 15% regulatory duty on export of molasses. Molasses is used to feed production but is also an important feedstock for bio-ethanol production. The decision has been taken to encourage ethanol production in Pakistan, which has witnessed increasing export trend to other markets owing to unprecedented fuel price hike.

- Pakistan continues to apply a 20% regulatory duty on raw hides and skins. This protectionist measure encourages the manufactures of leather products and discourages tanners to enter into the international market (including EU) with their products at competitive prices.

- On 26 June 2014, the Federal Government announced slapping 5% duty on import of eatables and toiletries (perfumes and sprays) vide (SRO No.569 (I)/2014).

Philippines:

- In 2014, two bills have been proposed (House Bills 4728 and 5058) in Congress and Senate, prohibiting any unprocessed minerals or mineral ores for export, foreseeing severe sanctions (six to twelve years imprisonment) and imposing new licenses for transportation. Explicit language includes a 'complete ban on the export of unprocessed mineral ores to encourage the growth and develop the capability of mineral processing industry in the country' (Congressman Amante) and a requirement that 'all extracted minerals be processed within the country before export' (Senator Bam Aquino IV).

Russia:

- Russia continues to apply export duties on a range of raw materials, notably fuels, metal scrap and wood. Under the Orders of July 2001 of the State Customs Committee, Russia regularly increased such duties and extended their scope, covering a large number of headings of the Harmonised System, at rates up to 50% (ad valorem duty), and € 500 per tonne (specific duty), depending on the product category. The level of these export duties has been very high, at times prohibitive, for certain products, i.e. ferrous scrap, cobalt scrap, non-ferrous metal scrap, energy products, hides and skins, and wood products. In effect, these duties discriminate EU downstream processing industry against the domestic one resulting in an unfair competitive advantage for the latter.

- On 2 October 2009, Government Decree No. 771 increased the export duty (from 5% to 20%, but not less than 138 euros/tonne) on some categories of magnesium scrap (in force since 2 November 2009).

- The Russian Government's Commission for the External Trade Protection Measures decided in November 2010 to increase the export duty on copper (from 0% to 10%) and nickel (from 5% to 10%) by Government Decree No. 892 and No. 893 of 12 November 2010 (in force since December 2010). The Russian Government links the increase to the price of nickel and copper on LME.

- In August 2010, the Russian Government increased the export duties on oil and some oil products, in line with the increased world oil price (Government Decree No. 652 of 26 August 2010). A further upward revision of the duty took place in February 2011, when the export duty for oil was set at USD 346.6 per tonne. A new methodology for calculating export duties on petroleum products was introduced in February 2011. The rate of export duty on heavy petroleum products was set at 46.7% of the rate for crude oil, while the rate of export duty on light petroleum was set at 67% of the rate for crude oil. Since 2013 the rates of export duties on heavy and light petroleum products have been equalized at the level of 60% of the export
duty on crude oil. In 2014 the government adopted changes in the taxation of the oil sector. According to the plan, the rate of exploration tax on crude oil was increased. The increase was supposed to be compensated by gradual cuts in the export duty rate. However, the Ministry of Finance insisted on keeping the same formula for calculating the export duty for crude oil in 2016 as the one in 2015. As a result, the formula for calculating the export duty on crude will not change in 2016. According to the Energy Ministry, the freezing of the export duty on crude oil could be extended to the year 2017. The export duty rate on natural gas will not change in 2016 and it will be kept at the rate of 30% from the volume of gas sold. The rate of exploration tax for natural gas will increase in 2016.

- The Russian Government introduced a prohibitive export duty on petrol amounting to USD 415.8 per ton in order to reduce the deficit of petrol in some regions of Russia. An elevated rate of the export duty on petrol will remain in place in 2012. In April, the rate of export duty on petrol is $414.6 per tonne.

- In the context of the negotiations regarding Russia’s accession to the WTO, an initial agreement on export duties on timber was reached in 2004. Negotiations on the matter were re-initiated after Russia raised the export duties in 2007. Since 2009, the export duties amounted to 25% but no less than €15 per cubic meter. In 2010 Russia planned to raise the duties to 80% of the customs value but no less than 50 euros per cubic meter, but the decision was postponed mainly due to objections from the Commission. In November 2010, Russia and the EU agreed that the wood export duties would be lowered to below 20%.

- According to Russia’s WTO commitments its export duties should be fixed for over 700 tariff lines, including certain products in the sectors of fish and crustaceans, mineral fuels and oils, raw hides and skins, wood, pulp and paper and base metals. Russia agreed to the tariff quotas with within-quota duties from 13 to 15% for the export of unprocessed timber to the EU, right after its WTO accession. In five years’ time Russia should reduce protective duties on export of base metals scrap from 15% to 5%. Export duties on copper and nickel should be abolished or sharply reduced within 4 to 3 years transitional periods. Generally, however, Russia is not advancing much in fulfilling its WTO commitments at this stage, so that it is questionable whether it will fulfil these commitments by 2017.

- Government Decree N°391 of 29.04.2014 amended Government Decree N°779 of 30 July 2012 establishing rules for allocation of tariff quotas for export outside Russia and the CU of spruce, fir white European, and pine. The original Resolution (“points 4 and 5” of the Rules established by the Resolution) envisaged the transmission of a list of forest tenants who could receive export licenses. Government Resolution N°946 of 24 October 2013 subsequently repealed points 4 and 5. Decree N°391 of 29 April 2014 reinstated points 4 and 5 (and hence, the list), but only until 30 June 2015. With the expiry of Government Resolution N°391, there is a return to the previous situation – that is, no provisions for a list of eligible entities for purposes of export licences.

- Government Decree N°1202 of 21 December 2013 increased the export duty rate for tungsten ore and concentrates from 0% to 10%.

- The Collegium of the Eurasian Economic Commission’s Decision N°307 of 25 December 2013 extended the list of goods, which are essential for the Eurasian CU’s internal market and for which exports could, in exceptional cases, be subject to temporary restrictions or prohibition. The added goods comprise, in particular: raw hides or skins of swine, tanned or crust hides and skins of cattle or horses and tanned skins of pigs.

- Russia imposed an export duty on wheat of 15% plus €7.5 or at least €35 per ton starting from 1 February 2015.
South Africa:

- An export tax of 5% on unpolished diamonds has been in place since November 2008. The purpose of the tax is to stimulate the local diamond polishing industry and to create jobs.

- On 10 May 2013, a policy directive on the exportation of ferrous and non-ferrous waste and scrap metal was announced. In accordance to the notice exports of the latter have first to be offered to the domestic users of waste and scrap for a period determined by the International Trade Administration Commission of South Africa (ITAC) and at a price discount or other formula determined by ITAC intended to facilitate local rather than export sale. In the second instance, to ensure the type and quality of scrap metal that is intended for export are accurately reflected on application for export permits, all permit applications should be accompanied by confirmation by a metallurgical engineer or a suitable qualified person, confirming the type, quality and quantity of scrap at hand for export, and information as to when and where such scrap metal may be inspected by prospective buyers. The policy will be in place for five years. At the end of this period, it will be reviewed to determine whether it should be terminated or extended for a limited period, with or without amendment. (Notice 470)

- ITAC, under Government Gazette notice 385 of 2013 published on 19 April 2013, is in the process of considering the recommendation of a price preference system – consisting in essence of a price preferential rate to the extent of 20% below the London Metal Exchange (LME) benchmark spot price for the published types and grades of waste and scrap metal, to ensure access for domestic foundries and mills.

- South Africa published amendments to the Export Guidelines on Exportation of Ferrous and Non-ferrous Waste and Scrap on 09 May 2014 (Government Gazette No. 37605 General Notice 345), on 15 November 2013 (Government Gazette 37034 Regulation 10055, Notice 871), on 27 September 2013 (Government Gazette No. 36882 Regulation 10026, Notice 717), on 18 September 2013 (Government Gazette No. 36858, Regulation 10020, Notice 697, on 18 September 2013 (Government Gazette No. 36848, Regulation 10018, Notice 689, 13 September 2013 (Government Gazette No. 36815, Regulation 10013, Notice 663 and 03 September 2013 (Government Gazette No. 36708, Regulation 9996, Notice 543). According to the latter, all scrap metal exports are made subject to the issuance of export licenses, which will only be granted if the products have previously – and unsuccessfully – been offered to domestic consumers at a price 20% below international spot prices (Price Preference System, "PPS"). Scrap metal shall be offered to domestic consumers for 15 working days. It appears that such system is inconsistent with international obligations undertaken by South Africa. The restrictions will affect the quantity of scrap metal available for export as well as the price at which scrap metal is sold to all market actors. On 12 September 2014, the Government has issued the amended Export Control Guidelines on the Exportation of Ferrous and Non-Ferrous Waste and Scrap (Government Gazette No.37992, No.R.714) including a proposed amendment to the Price Preference System (PPS) Policy included in the above mentioned guidelines on 31 July 2015 (Government Gazette No.39223 No.R.891). More importantly, ITAC has issued a review of the discount rates in the PPS for ferrous and non/ferrous waste and scrap by which the discount is increased from 20% to 30% for steel scrap metal and from 20% to 25% for aluminium scrap metal (report No.490, ITAC 30 January 2015).

- The Mineral and Petroleum Resources Development Act (MPRDA) of 2002, which governs the acquisition, use and disposal of mineral rights, is at present being revised by the South African government. The Amendment Act from May 2013 includes many controversial provisions, among which a provision allowing the government to compel mining companies to sell minerals at an “agreed price” for local beneficiation. Parliament approved the MPRDA Bill on 12 March 2014 but on January 2015 President Zuma sent back the Amended Bill to Parliament, among other reasons, on the basis that it contravenes
international trade legislation particularly on the matter of quantitative restrictions on exports.

Turkey:

- The Ministry of Economy (former Under-Secretariat for Foreign Trade) sent an instruction to the Exporter Associations that are in charge of registering the export of copper scrap on 21 May 2010. According to this instruction, operators are required to fulfill three different conditions in order to obtain an export license from the Exporters Associations: copper scrap which will be exported shall be pre-investigated on site by supervisors from the Standardisation Department of the Foreign Trade; submission of written confirmation received from at least three domestic producers showing that copper scrap would not be used for their production; contract that shows export connection. The Foreign Trade had previously issued a communiqué that orders the registration of copper scarp export by the Exporters Associations. The registration requires obtaining a registry certificate which amounts to an export license. However, the instructions of the Foreign Trade which bind the distribution of export license to the above mentioned conditions have apparently turned the existing licensing regime into a de facto export ban. A communiqué of 21 April 2011 made recovered (waste and scrap) paper or paperboard and aluminium waste and scrap subject to export registration, yet lacking in transparency as regards conditions for obtaining an export license. In August 2013, Turkey announced that chrome leather products will be made subject to the non-automatic export licencing system.

Ukraine:

- The President of Ukraine signed a wood export ban, via the Law on "State rules on activities of economic entities related to the distribution and exports of wood" on 9th July 2015, which entered into force on 10th July. This Act provides: (i) a moratorium (a ban) on the exports of raw round wood (excluding pine wood) for 10 years as of 1st November 2015; (ii) a moratorium (a ban) on the exports of pine raw round wood for 10 years, being applied from 1st January 2017 and (iii) the obligation to obtain certificates of origin by the Ukrainian exporters of round wood (except for the ones covered by the above moratorium) and sawn timber issued by the relevant forest districts in order to be exported outside of Ukraine (Art. I point. 3 - taking effect three months after publication).

- For the time being the legislation of Ukraine, in accordance with the obligations of Ukraine under the protocol of accession in WTO, establishes an export duty rate for ferrous scrap in the amount of 10 Euro/ton. However, a law on ferrous scrap envisages the requirement of mandatory registration of contracts for export of ferrous scrap. A draft law (bill 2031a) proposes to increase the export duty for ferrous scrap to 30 Euro/ton for 3 years, which would be incompatible both with Ukraine WTO's commitment and the DCFTA which has come into force on 1st January. It was put on the agenda for the first time on 16 June 2015 and several times since then, but has not been discussed so far.

Vietnam:

- On 15th November 2012, the Ministry of Finance issued Circular 193/2012/TT-BTC to replace the Circular 157/2011/TT-BTC of 14 November 2011. The Circular entered into force on 1 January 2013. Annex I lists export duties applicable to 118 groups of goods. Compared to the export duties under the previous legislation (Circular 157), the duties of some minerals and ores have been increased by an average 5-10%. In detail, export duty on natural sands increased from 20% to 30%, fine grain apatite from 15% to 20% and grain apatite from 20% to 30%, limestone flux from 17% to 25%, natural steatite from 15% to 30%, lead ores & concentrate from 20% to 30%, gold ores from 20% to 30%, gold with contents of less than
99.99% and 80% from 0% to 10%. Additionally, Circular 193/2012/TT-BTC adds certain minerals and ores to the list of goods subject to export duties such as zinc oxide (HS code: 2817; duty: 5%), aluminium oxide (HS code: 2818; duty: 5%), and nickel stein (HS code: 7501; duty: 5%).

- The Ministry of Finance issued a Circular numbered 36/2015/TT-BTC dated 23 March 2015 adding some gold products to the list of the products subject to export duties. Under this legislation, gold products with HS codes 71131910, 71131990, 71141900, and 71159010 are subject to export tariff of 2%. The previous duty was 0%. It is however expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.

III. BEHIND-THE-BORDER MEASURES

III.1. Government procurement

Algeria:

- Local content requirement for acquisition of office equipment (up to 15% of tender).

- Presidential decree of 11 July 2010 on public procurement in Algeria, confirmed by another presidential decree of 2012, contains several elements with a potentially distortive impact on trade. Notably, it reinforces preferences for domestic bidders in public procurement orders, in order to strengthen domestic participation. Accordingly, the preference margin for national bidders has been increased from 15% to 25%. In addition, the law imposes an obligation to resort to a domestic bidder if the national producer is able to satisfy the conditions of tender. Equally, foreign bidders who win the bid will be obliged in the future to conclude contracts with a local producer. Non-respect of such a contract could result in sanctions. This decree was published in the Official Journal of Algeria on 7 October 2010. Furthermore, presidential decree of 1 March 2011 stipulates that foreign investors already present in Algeria or with significant engagement of investment may be exempted partially or completely from the obligation of investment (obligation to conclude a contract with a local investor) as a precondition to participate in public bids.

Algeria is not a party to the WTO Agreement on Government Procurement (GPA).

Argentina:

- Decree 893/2012 – Implemented older Decree 1023/2001 that regulates the general regime on public procurement. Article 5 determines a 7% preference for suppliers with exporting activities (14.06.2012).

- Decree 1187/2012-PEN - With the aim of improving cost-efficiency in procurement contracts awarded by the federal government, established that the salaries of government officials and agents have to be paid through the main public bank, Banco de la Nación (19.07.2012).

- Decree 1188/2012 - With the same aim, established that official cars have to be leased (not bought) through a division of the same bank, Leasing Nación (19.07.2012).

- Decree 1189/2012 - Established that fuel and lubricants for official cars, ships and planes have to be acquired from nationalized company YPF (19.07.2012).
Decree 1190/2012 - Established mandatory competitive tenders for the procurement of telephone services. These tenders are invited by the Office of the Chief of Cabinet, and each government agency has to contract the services with the selected provider/s (19.07.2012).

Decree 1191/2012 - Established that - as long as the routes are covered by the public airlines Aerolíneas Argentinas, Austral and Lade - public officials have to fly with these companies (19.07.2012).

Argentina is an observer to the WTO GPA.

Australia:

Commencing with the Australian Government Procurement Statement in July 2009, the Federal Labor Government enacted a series of measures designed to enhance Australian industry participation in Australian Government procurement. The requirements were described as being consistent with Australia's international obligations and unlike the policies of some State Government counterparts do not mandate the use of Australian suppliers, yet their incremental application reveal a tendency towards the increased use of subtle restrictions on overseas firms participating in government procurement tenders.

The 2009 Statement strengthened the Australian Industry Participation framework (introduced by the previous Coalition Government in 2001) by requiring participants in large Commonwealth tenders (generally $A20 million or more) and infrastructure projects to prepare and implement Australian Industry Participation (AIP) Plans. Additional support was provided in the May 2011 Budget to fund greater advocacy for local suppliers under the Buy Australian at Home and Abroad package.

In October 2011, the Government extended the requirement for AIP Plans to private procurement, in particular to companies in receipt of federal grants of $A20 million or more and for grants of $A20 million or more to the States and Territories where they do not apply their own industry participation plans. Projects greater than $A2 billion eligible for the Enhanced Project By-law Scheme (a tariff concession scheme) were also required to publicly list additional information on opportunities being made available to Australian industry.

The Labor Government's Plan for Australian Jobs, issued in February 2013, further extended the requirements for AIP Plans to all major projects with a capital expenditure of $A500 million or more. This was enabled by the Australian Jobs Act 2013 which received Royal Assent on 27 June 2013 and commenced under the current Coalition Government on 27 December 2013.

Following a review of its procurement policies the New South Wales (sub-national level) Coalition Government replaced the previous State Labor Government's Local Jobs First Plan, announced in June 2009, with the NSW Government Procurement: Small and Medium Enterprises Policy Framework (published 18 January 2013). While removing the price preference granted to Australian and New Zealand SME content in State Government procurement, the new policy still retains its predecessor's requirement for SME Participation Plans for contracts valued at $A10 million and above (increased from $A4 million previously), which must show how the tender will support local industry (similar plans are also required by the Federal Government and other State Governments).

The then-Victorian (sub-national level) Labor Government announced on 19 November 2008 (operative from 1 July 2009) that government procurement for declared strategic projects with whole-of-life costs greater than $A250m or above $A100m capital cost should be subject to minimum local (Australian and New Zealand) content targets and weighting on local content in tender evaluation. The measure has a potential adverse impact over a broad range of sectors,
specifically in relation to passenger rail rolling stock and tram fleets. On 19 December 2011, the Victorian Coalition Government released the final report of the Victorian Competition & Efficiency Commission’s (VCEC) inquiry into A More Competitive Victorian Manufacturing Industry, along with the Government's response and a new manufacturing strategy. The Government did not support VCEC’s recommendation 12.9 (the Victorian Government remove the preferential aspects of the Victorian Industry Participation Policy), stating that it "will retain local content as a criterion in procurement policy and is committed to local content as part of its industry participation policy."

- A new Victorian state Labor Party government was elected on 29 November 2014. In its pre-election policy platform the Labor Party committed to "support local industry through government procurement by leveraging [the state government's] role as a major procurer of goods and services. Enhancements to the Victorian Industry Participation Policy (VIPP) to increase the weighting accorded to local content for major projects will assist in this regard." The Victorian Department of Economic Development initiated a formal review of VIPP on 5 November 2015 which proposed the introduction of a minimum 10 percent formal weighting system for local content in the evaluation of all VIPP Plans. The review report is not yet finalised, and any recommendations (including the minimum 10 percent weighting) will require Cabinet approval. The Department of Economic Development expects to complete the process in time for recommendations to come into effect by 1 July 2016.

Australia is an observer to the WTO GPA, but submitted an application for membership in June 2015.

Brazil:

- The Brazilian Ministry of Mines and Energy (MME) was to hold the first wind energy auction on 25 November 2009, as part of the ongoing Program of Incentives for Alternative Electricity Sources (PROINFA), a government program that aims to promote the use of renewable technologies in the production of electricity. The Ministry set out the requisites for new electricity generation projects participating in the auction in Administrative Act (Portaria) No. 211, published on 28 May 2009. This act banned the use of imported wind turbines with nominal power up to 2,000kW by bidders participating in the auction. This restriction was modified by MME Administrative Act No. 242 of 25 June 2009, which stated that the use of imported turbines with nominal power under 1,500 kW were not allowed by bidders in the auction.

- On 20 July 2010, Brazilian authorities modified the Brazilian law on public procurement and the facto turning it into a kind of 'buy Brazilian' law. The initially temporary measure was converted into Law 12.349/10 on 15 December 2010 and allows the government to grant up to 25% preference margin (depending on the sector, thresholds to be defined) to products and services produced entirely or partially in Brazil. This is one of the widest preference margins introduced among measures affecting government procurement. Moreover, for goods and services considered of strategic national interest, procurement can be restricted to goods and services developed in Brazil and produced in accordance with the basic productive process. Similarly, although the measure should primarily benefit the pharmaceutical and textile sectors (i.e. a market which was worth R$16 billion (around €7 billion) in 2009 in terms of public procurement contracts), the size of the Brazilian market suggests that the measure should not be underestimated, the more so as it does not seem to be driven by the crisis rationale but rather appears to form part of a wider industrial policy.

The measure specifies that the preference margin could in the future be extended, partially or totally, to products and services coming from Mercosur Members, upon ratification of the Protocol on Government Procurement which was signed on 20 July 2006.
The December 2010 law on Buy Brazilian has already been applied to the ICT sector. Foreign companies (despite participation of local capital) have been excluded from the bids to acquire broadband equipment and services for the state operator Telebras, which has been reactivated under the National Broadband Programme (PNBL) adopted in May 2010 (Presidential Decree 7.175/10). Only companies with "national technology" (local development) could participate on Telebras bids using the above mentioned provisions under law 12.349.

On 2 August 2011, President Dilma Rouseff announced the "Plano Brasil Maior", a package of measures aimed at fostering industrial production. As part of the package, the Government announced that the 25% price preference for domestic products would apply to purchases in the area of health, defence, communications and high-tech equipment. The Programme also foresees other trade-related measures aimed at supporting industrialisation of the economy.

In line with the above "Plano Brasil Maior" and earlier application of procurement thresholds to the ICT sector, the Decree No. 7.546 of 2 August 2011 establishes specific measures regarding public procurement in the ICT field, whereby purchases can be restricted to equipment and services developed and produced in Brazil and the 25% preference margin applies to domestic bidders.

Within the frame of the Plan Brasil Maior II, measures for stimulating the national industry through government procurement were announced. National goods and services will take priority with a preference margin of up to 25 per cent on imported products. The government estimates that it will invest BRL 3.5 billion on medications, pharmaceuticals and biopharmaceuticals in the next 5 years. Furthermore, the purchase of backhoe loaders and motor graders shall amount to BRL 400 million by 2015. Similar measures were already in place applying to textiles and clothing, computing and TLCs sectors.

Several Decrees have been approved establishing preference margins for certain national products in tendering procedures:

- Decree 7.756 of 14 June 2012 established a preference margin of 20% for textiles, apparel and footwear.
- Decree 7.767 of 27 June 2012 established a preference margin of 8% to 25% on medical products.
- Decree 7.810 of 20 September 2012 established a preference margin of 20% for paper money for printing.
- Decree 7.812 of 20 September 2012 established a preference margin of 20% for locomotives, wagons, trains and car parts for railways.
- Decree 7.816 of 28 September 2012 established a preference margin of 14% to 17% on some tractors, transport trucks, fighting vehicles, road equipment, and ambulances.
- Decree 7840 of 12 November 2012 established a 29% preference margin on drills and tractors.
- Decree 7.843 of 12 November 2012 established a 20% preference margin on discs for coins.
- Decree 7.903 of 4 February 2013 established up to 25% preference margin on some information technology related products.
The “Urban mobility” initiative, introduced through Decree 7.888 of 15 January 2013 and supplemented by technical specifications of Ordinance 131/2013, as a part of the Program for Growth Acceleration (announced in March 2010) provides for local content requirements in projects related to transport infrastructure, equipment and services.

Several Decrees have been approved granting preferences in Government procurement to certain locally produced products, namely:

- Printers and data processing machines – decree 8.184 from 17/01/14 (up to 20% of preference)
- Executive jets – decree 8.185 from 17/01/14 (up to 25% of preference)
- Software services – decree 8.186 from 17/01/14 (up to 18% of preference)

Decree 8.194 from 12/02/14 granted preferences in Government procurement to various IT equipment goods from HS chapters 84, 85 and 90 with up to 25% of price preferences.

Brazil is not a party to the WTO GPA.

Canada:

On 3 June 2010, the Canadian government announced its National Shipbuilding Procurement Strategy. The Strategy encompasses three streams – large ship construction, small ship construction, and repair, refit and maintenance projects. The government intends to use two Canadian shipyards for the procurement of the large ships – one to build combat vessels, the other to build non-combat vessels. The construction of smaller ships will be set aside for other Canadian shipyards. Only the repair, refit and maintenance of ships in the Government fleet will be sourced through competitive tendering. The cost is expected to range around CDN $35 billion, with the bulk ($33 billion) going for the procurement of large ships. Over 30 years, the Strategy is expected to create an estimated 15,000 jobs and generate $2 billion a year in economic activity across Canada. In July 2015, the government announced two high-value build contracts – valued at 43.4 and 45.8 million Canadian dollars (CDN) - for the Canadian Coast Guard search and rescue (SAR) lifeboats. In February 2015 an 8.5 million CDN contract for a ship refitting was awarded, whereas in January 2015 a CDN 2.3 billion contract was awarded for the construction of six Arctic Offshore Patrol Ships. All these contracts were awarded to Canadian suppliers.

In July 2015, Public Works and Government Services Canada (PWGSC) announced the implementation of its new, government-wide Integrity Regime for procurement. This Integrity Regime replaces the Integrity Framework, a set of policy guidelines introduced in 2012 (enhanced in 2014) by the PWGSC and used also by several other government departments. The PWGSC will immediately apply the new Integrity Regime and the Regime will be rolled out in all other government departments following the signature of a Memoranda of Understanding. The new Integrity Regime will still include the "Public Interest Exception", which allows a supplier convicted of misconduct nevertheless to be selected for procurement in certain cases, in particular to avoid "economic harm", which is defined as material injury to the financial interests of the Government of Canada (not of a particular supplier). The Exception is to be applied on a case-by-case basis by the department issuing the contract but requires administrative agreement between PWGSC and the supplier, detailing the conditions (such as remedial and compliance measures) that the supplier must fulfill. Concerns remain that the Public Interest Exception could be used to discriminate in favor of preferred domestic suppliers over foreign ones.
Canada is a party to the WTO GPA.

China:

- 'Buy local' clauses exist in China since 2003, when the principle was spelt out in the 2003 Government Procurement Law. Article 10 of the 2003 Government Procurement Law (GPL) provides for a domestic preference except for
  - products that cannot be obtained in China or cannot be obtained in China under reasonable business conditions
  - or for products that are to be used out of China.

This 'Buy Chinese' policy was strengthened in 2007 through two implementing decrees limiting the possibility to procure foreign goods only when domestic products are 'unreasonably' more expensive or of lower quality.

Moreover, in spring 2009 China emphasised to its procuring entities that they should tightly enforce the existing 'Buy Chinese' provisions in its public procurement legislation (Opinion 2009/35) by further eliminating the possibility to buy foreign products, even if they are of better quality or less expensive. The Opinions state in particular that all products falling under the scope of the above mentioned Decrees (2007/119 and 2007/120) must be purchased in China. The Opinions 2009/35 stipulate further that the procurement of imported "high tech or innovative equipment" will only be possible if no such products are available in China. Also close supervision of construction projects launched under the RMB 4-trillion stimulus packages adopted in 2008 and 2009 has been announced.

During its session on 31st December, 2014, the Chinese State Council adopted the Implementation Rules of the Government Procurement Law (order no.658) (Implementation Rules). The Implementation Rules focus on curbing corruption, and strengthening the rule of law. The Implementation Rules do not distinguish between local and foreign suppliers. It is explicitly stated that all bidders should be treated equally, including having equal access to information and fair, non-biased tender criteria. However, the underlying Government Procurement Law (GPL) still requires that government agencies prefer local Chinese products. Neither procurement Law nor the Implementation Rules provide a definition of 'Chinese products'.

- On 17 November 2009, China introduced the Indigenous Innovation Product Accreditation List. This provides for an accreditation list on which only IP right holders that are registered for the first time in China are permitted to be included in the list of producers allowed to participate in public procurement of innovative products. Very short registration timeframe and stringent selection criteria could potentially hinder access to public procurement to foreign companies. On 10 April 2010, the Ministry of Science and Technology (MOST) removed the requirements of prior Chinese origin for brands and other Intellectual Property Rights (IPR), several other IPR-related provisions remain unclear. On the occasion of the third EU-China

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5 Decree 2007/119 on "Printing and distributing the administrative measures for the government procurement of import products" and Decree 2007/120 on "Administrative measures for government procurement on initial procurement and ordering of indigenous innovation products" adopted by the Chinese Ministry of Finance.


7 For more information on stimulus packages, see the 133 Report on potentially trade-restrictive measures of July 2009.
High-Level Economic Dialogue in December 2010, reiterated since and lately at the EU-China Summit in November 2013, China gave very positive signals on the IPR elements, namely that foreign and domestic products will be treated equally and laws and regulations will be amended accordingly. China also recognised the problems related to implementation at the provincial level and committed to increasing exchanges and communication to ensure consistency in implementation at central and local levels. China also made additional commitments on the procurement side at the visit of the Chinese President to the US, namely that there will not be any link between procurement and IP. Following these announcements, the Ministry of Finance announced the suspension of three key pieces of legislation linking indigenous innovation to government procurement, namely evaluation measures on indigenous innovation products for government procurement, administrative measures on government procurement contracts for indigenous innovation products.

- Concessionary bidding mechanism for wind power equipment and development projects discriminating de facto foreign companies: there is no transparency on the bidding procedure and on the evaluation assessment; the international track record of the equipment provided is not taken into account; the system is exclusively based on the unit price of the equipment rather than on the average life cost of it; only certain sizes of turbines are allowed regardless of the specificities of the individual location. Obtaining the Chinese intellectual property certificate associated with advanced wind turbine designs is a key priority for the Chinese government in its support for Chinese wind turbine manufacturers. In 2006, the Provisional Measures for the Accreditation of National Indigenous Innovation stated that products made with Chinese intellectual property could qualify for priority in government procurement. While the Chinese government officially ended this practice in December 2011, the policy change did not apply to purchases made by China's state-owned enterprises (SOEs), which owned the vast majority of the market.

- On 24 February 2012, the Chinese Ministry of Industry and Information (MIIT) has released a preliminary list for official government automotive fleet purchases that only features local Chinese car brands. The new catalogue lists 412 domestically produced automotive models exclusively built under local Chinese brands. The list excludes models built under joint ventures (JVs) with foreign companies including European automakers. Moreover, China issued a new circular in January 2014 imposing the obligation for Military personnel to purchase domestic brand vehicles. These measures can significantly reduce market access to government procurement for European automakers producing in China. Some experts estimate Government automotive purchases in China at around 10% of the auto market (14 million passenger vehicles sold in 2011). Furthermore, market research shows that foreign brands account for at least 60% of this market (including European brands such as Audi).

- A key factor still contributing to difficulties for foreign companies in engaging in government and public procurement in China is the inconsistent interpretation of the term "domestic goods". In January 2010 the draft Implementation Regulations for the GPL (Implementing Regulations) was released for comments. It defined "domestic product" as "made within China's borders and for which domestic manufacturing costs exceed a certain percentage of the final price", which is said to be set at 50%. However, almost four years later this Regulation has not yet been published. In the meantime, Central and local entities tend to implement in a very broad manner those provisions, going far beyond discrimination already imposed by the law. The nationwide 'Buy Chinese' measures have been echoed by numerous 'Buy Chinese' or even 'Buy Local' initiatives taken by provincial or municipal authorities. In the case of "domestic products" definition certain local governments have stipulated local content requirements of 70%. This is the case in the railways sector, where 70% local content is required in the procurement procedures for equipment supply for urban rail projects in China according to the "Implementation Plan on the Nationalisation of Urban Rail Transit Equipment" No. 428 [1999] and the "Supplementation to the Implementation Plan" No.564
[2001]. In addition, bidding processes restrict foreign companies to be qualified for bidding for rolling stock and signalling and has prevented also joint ventures from obtaining a license or qualification to bid. These restrictions also appear to be linked to the 70% requirement, although the link has not been made clear by Chinese authorities. There are also cases in other sectors where the Chinese Government has explicitly barred foreign companies from bidding on public contracts i.e. in June 2014, the Ministry of Finance (MOF) and the Civil Aviation Administration of China (CAAC) issued a Notice that states preference for domestic airlines in the purchase of tickets for government personnel travelling on business purposes. In that case if foreign companies want to bid, they have to enter in a partnership with a Chinese company. This requirement has also been seen in projects related, inter alia, to energy (including shale gas or transmission/distribution.)

China is currently negotiating its membership to the WTO GPA.

Ecuador:

- The Ecuadorian Constitution (September 28, 2008) stipulates in Article 288 the "prioritization of domestic products and services in public procurement". The National Procurement System Organic Law establishes as one of its aims to be a "dynamic element of production" (Article 9) and it also states that "specifications of a public procurement will contain evaluation points that encourage national or local participation, by a preferential margin, for suppliers' works, goods and services, including consultancy, according to the parameters set by the Ministry of Industry and Competitiveness" (Article 25).

- A public procurement tender for medicines, launched on 22 July 2011, set a preference margin for domestic bidders of 38%. This tender is in line with the 2008 National Procurement System Organic Law, which stipulates use of preference margins to encourage participation of local producers and service suppliers, including consultancy, according to the guidelines set by the Ministry of Industry and Competitiveness.

Ecuador is not party to the WTO GPA.

Egypt:

- On 13 May 2014 the Government Cabinet decided to stop the import of products which have a local equivalent for the purpose of public tenders. The Ministry of Industry & Trade was requested to prepare a Local Production Protection Law for public bodies to buy local products whenever possible (Even if a temporary law of 1999, which has been subsequently renewed, prohibited already the importation of specific commodities with a local equivalent in public procurement.).

- Presidential Decree No. 82 issued in November 2013 amends some provisions of law No. 89 of 1998 on Tenders and Competitive Negotiation. Specifically, the decree increases the financial ceilings that apply to the use of contracting by Direct Agreement in cases of emergency. Most importantly, it allows government officials to skip public tender processes in cases of undefined "urgent" matters.

- Law 5/2015 regarding national preferences for Egyptian products in government contracts was adopted on 17 January 2015. It expanded the scope of application of national preferences to all supply and project agreements and extended it to public companies and companies in which the state has a ruling share. It requires a minimum of 40% local content, unless such products are not available or the price of a competing imported product is at least 15% lower. The executive regulations of the new Egyptian procurement law 5/2015 were promulgated on 13 September 2015 by Ministerial Decree No. 656/2015. Following adoption of the executive regulations of Law 5/2015, Prime
Minister Sherif Ismail issued a decree on 18 October 2015 forming a committee that would be in charge with preference of locally manufactured products.

Egypt is not party to the WTO GPA.

India:

- Concerning electronics products, a new preference policy was adopted on 23 December 2013, replacing the policy adopted on 10 February 2012 (see Annex VI, Rolled back measures), ruling out domestic manufacturing requirements on the basis of security requirements and for private procurement. As for public procurement of electronic goods, the new policy foresees at least 30% domestic sourcing and domestic value addition rising from 25% in year 1 to 45% in year 5. However, no new policy has been adopted at the time of the preparation of this report for telecom products. The original policy of 5 October 2012 is still in place; however it is not applied (as no products for which it would apply have been notified).

- Between December 2012 and May 2013 the Department of Electronics and Information Technology notified a number of electronics products to be covered under the preference policy, including desktop, laptop and tablet PCs, smart cards, LEDs, and dot matrix printers.

- In the context of the 2010 Jawaharlal Nehru National Solar Mission (NSM), launched by a resolution of the Ministry for new and Renewable Energy in January 2010 and respective guidelines in July 2010, minimum local content requirement exist for the installation of solar cells and solar modules. The programme has a three-phase approach (2012-13; 2013-17 and 2017-22). The rules are, in practice, not applied because of the small size of domestic industry, which cannot supply in accordance with the ambitious plans of the government in terms of installation of solar power.

- Effective from 31 May 2013 a new Defence Procurement Procedure (DPP) was notified by the Indian Government. Under the new system, priority is to be given to purchases from the Indian defence industry, the classification of which is based on minimum local content requirements (starting from 30%, on a cost basis). A new DPP is expected to be announced soon but was not made public at the time of preparation of this report. It is not expected that the local content requirements will change much.

- In December 2014, the Ministry of Commerce prepared draft National Offset Policy (NOP) which suggesting that foreign companies selling goods worth over Rs 300 crore (cca EUR 4.3 million) to government or Public Sector Undertakings (essentially Indian term for SOEs) would have to source part of their supplies from domestic manufacturers. The foreseen minimum value of the offsets obligation would be 30 per cent of the estimated cost of the import, meaning the company will have to procure this percentage from local players to boost domestic manufacturing. Sectors which will be covered under the NOP include civil aerospace, power, fertiliser, railways and other transportation, ports and shipyards, mining, medical equipment, medicine and telecom. The draft is still waiting for the cabinet approval to enter in force.

India is not party to the WTO GPA, but has a status of observant.

Indonesia:

  - 1) Article 6-8: Coal and water power generators with less than 100 MW shall be constructed and managed by a national company, and with above 100 MW it can be a
foreign company but it must work together with a national company. For geothermal power, the limit is 110 MW for similar conditions.

- 2) The buyer of these construction services must give a price preference to locally produced goods and services. The size of discount depends on the category of costs, between 7.5 – 30%

- 3) The attachment of this regulation stipulates the required levels of domestic content for the different sectors - coal, water power, geothermal and distribution, as well as for different sub-categories of goods and services. The local content requirements range from 15% up to 96% for different categories, but mostly are above 50%.

Ministry of Industry introduced administrative sanctions for not following the regulation, in the form of penalties or blacklisting. Foreign products can be used only when locally produced goods are not available. The Decree will affect the procurement related to the Government's 10,000 MW electricity crash program.

- The Ministry of Industry adopted on 29 May 2009 a regulation (49/2009) requiring the use of domestic products and services in 558 sub-sectors for public procurement. The regulation relates to both domestic and foreign companies established in Indonesia, which could be considered as local producers in several sectors (raw materials, equipment, machinery, supplies, construction materials, agriculture and agri-food, energy, telecommunication sector etc.). The regulation is a response to a presidential instruction No. 2/2009, which entered into force on 9 February 2009, stipulating that all state administration should 'optimize' the use of domestic goods and services and give price preferences for domestic goods and providers. Domestic products are defined as 'goods/services (including construction-design and engineering) produced or prepared by company investing and producing in Indonesia, with possibility to use imported raw material or component in the production or working process'. The law is effectively in force since 12 August 2009.

- The Ministry of Communication and Information Technology commented in the press in July 2009 that companies with foreign capital ownership beyond 49% are forbidden from participation in tenders for broadband internet access (WiMax, 2.3 GHz frequency). The exact legal basis is not confirmed, however, the Ministry referred to the investment negative list, which establishes limits on new investments in the sector and is being applied.

- The Presidential Regulation (PerPres) No. 4/2015 was adopted to amend the previous Reg. 54/2010, which set up several elements that raised concerns for foreign operators, including: i) local content: the Regulation sets a 40% requirement on local goods and services across the board. The Law does not specify local content requirements by amount or percentage, yet there exists a general principle that 'contractors have to bear in mind the use of domestic products and the role and independence of national companies'. It can be assumed that the implementing regulations following the Law will apply local content percentages set by the Regulation. ii) Partnership obligations: the Regulation provides that foreign companies can only participate in procurement of construction projects with a value higher than approximately 11 million US$ and in procurement of goods and services beyond a value of USD 2 million and in partnership with a domestic company. These provisions could also be included in the Law's implementing regulations. iii) Scope: the Law is intended to go beyond the usual definition of government procurement by also including goods and services of general for public interest provided by the private sector and/or service providers. This means that the law explicitly states that local content requirement would also apply to public-private partnerships, particularly in the infrastructure sector. It further implies that procurement by private companies, e.g. in telecom and electricity sectors, would be considered as government procurement, thus Regulation and the Law would apply as horizontal legislation.
• Minister of Industry Regulation No 15/2011 on Guideline for Using Domestic Product in Procurement of Goods/Services for the Government, dated February 21, 2011 foresees a list of inventory of locally produced goods/services to be issued by the Ministry of Industry. Local content values shall be verified by an independent surveyor, appointed by the Minister, and an official, appointed by the Secretary General of the Ministry of Industry.

• Minister of Industry Regulation No 16/2011 on Provision and Procedure for Counting Local Content, dated February 21, 2011 sets precise rules on calculating local content in goods and services.

• Law 16/2012 on Defence has been adopted, requiring 85% local content in the production of defence equipment, starting at 35% and gradually (in 5 years) to 85%.

Indonesia is an observer to the WTO GPA.

**Malaysia:**

- Government procurement is used as a tool to achieve socio-economic and development objectives aimed at encouraging a greater participation of bumiputera in the economy, transferring technology to local industry, reducing the outflow of foreign exchange, creating opportunities for local service-oriented companies, and enhancing export capability. Government procurement is estimated to account for 10-22% of the country's GDP.

Open tendering is mandatory for the procurement of supplies, services, and works above RM 500,000. Ministries and agencies are allowed to purchase supplies and services up to RM 50,000 directly from any known suppliers of goods or services deemed to be consistently supplying goods or services of acceptable quality and reasonable price. Suppliers do not need to be registered in relation to such purchases. Open competition involving quotations by a minimum of 5 suppliers apply to procurement values between RM 50,000 to RM 500,000.

However, negotiated tenders or single-source contracts are exceptions to the Government Procurement Regulations and subject to Ministry of Finance approval, based on apparently strict criteria (security, uniformity, urgency and single sourcing). In the absence of accurate data, there is a perception that the value of negotiated tenders forms the greater part of government procurement expenditure.

Generally, international tenders are invited only when domestic goods and services are not available. In most cases, foreign suppliers need to resort to a local Bumiputera partner/intermediary to submit tenders. In domestic tenders, preferences are given to bumiputera suppliers and other domestic suppliers. When tendering, Bumiputera suppliers receive a price bonus: for supplies and services contracts between RM 100,000 and RM 15 million, the margin of preference is between 2.5% and 10% and is inversely proportional to value. For local manufacturers producing goods locally the margin is up to 10% for contracts valued below RM 10 million and up to 3% for contracts valued above RM 10 million.

Procurement policies for government-linked companies (GLCs) are similar to those of ministries and other government bodies, although they are not governed by the public sector's government procurement rules and regulations.

In July 2012, Malaysia became an observer to the WTO Government Procurement Agreement. However, since Malaysia is not party to the GPA, foreign companies do not have the same opportunities as local companies to compete for contracts, and in most cases are required to take on a local partner for their bids to be considered.

Nigeria:

- Government instructions of 30 March 2011 direct all federal administration and agencies to favour locally produced and assembled goods in public procurement. A consumer credit facility is planned, and will be made available to locally-made goods.

- A Bill on Construction Industry is pending before the National Assembly by which preferences might be given to Nigerian companies.

- Guidelines for Nigerian Content Development in Information and Communication Technology were issued by the National Information Technology Development Agency (NITDA) on 3 December 2013. Although framed within science- and industry-driven principles (respect of standards, global approach, role of FDI), the Guidelines include quite stringent requirements with respect to all sectors of the IT and communications industry, including procurement of locally manufactured equipment and software (when available) by government entities and capitalisation requirements on OEMs manufacturers for the development of locally produced equipment.

- With regards to cheques books to be printed and used in Nigeria, since 2013 only Nigerian printing companies have been authorised by the Central Bank of Nigeria (CBN) under a policy specifically aimed at fostering local production. Circulars in this respect have been issued by the CBN on 9 May 2013, 4 December 2014 TED/FEM/FPC/GEN/01/010 and 18 August 2015 TED/FEM/FPC/GEN/01/012 authorising only Nigerian printing companies to print cheques books to be used in Nigeria.

Nigeria is not a party to the WTO GPA.

Pakistan:

- Pakistan's auto manufacturing sector has a deletion (i.e. localisation) programme which favours the use of locally manufactured parts in the assembly of cars. A draft new auto policy, which reportedly aims at attracting international investments in the automotive sector, may revise this, but is pending cabinet approval and had not yet been made public on 31.12.2015.

Pakistan is an observer to the WTO GPA.

Russia:

- Instruction n° 427 of 5 December 2008 by the Ministry of Economic Development "On the Conditions for Access of Foreign Origin Commodities for the Purposes of Placing Orders for Commodity Supplies for the Government and Municipal Use" determines the access conditions to the Russian market for a large number of goods and services from foreign countries: agricultural and hunting products, agricultural and hunting services, food products and beverages, textile products, clothes, fur and fur products, leather and leather products, saddlery products, shoes, organic and non-organic synthesis products, rubber and plastics articles, machines and equipment, cars, trailers and semi-trailers, car bodies, components and accessories and others. It legitimizes the preferences for goods produced in Russia, by enabling the national producers to win bidding with a price which is up to 15% higher than that of a foreign producer.

The new 'Buy Russian' provision was originally considered an anti-crisis measure, which would only apply for a limited period of time. The Federal Law on State Procurement No. 94-FZ establishes a national regime for foreign firms on the basis of reciprocity with foreign
countries. Despite initial time-limit of 2010, the law was prolonged in January 2011 extending its validity until the end 2011. The Ministry of Economic Development's Instruction No 120 of 12.03.2012 (registered by the Justice Ministry on 17 April 2012 and entered into force on 6 May 2012) was a modified version of the Ministry's Instruction No 427. In spite of its previously stated intention to radically curtail the preferences for domestic producers in public procurement, a large number of goods from the list remained intact. Only Russian producers of agricultural products were devoid of some preferences. The Federal Antimonopoly Service in fact criticised the draft Instruction as anti-competitive.

- President-elect Putin announced on 04.04.2012 that the federal and regional authorities, municipalities and companies, that are financed by the state should buy automobiles that are only manufactured in the CU (by Russia, Belarus or Kazakhstan).

- The continued use of single-source procurement procedures creates ample opportunities to apply the Buy Russian principle through direct contracting. According to the Economic Development Ministry's estimate, from the total value of public procurement in 2011 of RUR8.3 trillion, RUR3.6 trillion was spent without tenders or auctions. The value of these public procurement orders received without competition by 'single suppliers' increased tenfold for one year. In addition, the single-source procedures were further expanded in the Agreement on Government Procurement signed by the CU members (Russia, Belarus, Kazakhstan) listing 27 instances for single-source public procurement. Such procedures can be applied by order or decision of a President of a CU member state or a Government decision on behalf of the President.

- The Government Anti-Crisis Plan 2009 envisaged measures to increase the demand for domestically manufactured goods by providing support to 'systemic companies' (343 companies including Gazprom, Russian Railways Co, Aeroflot, RusAl, AvtoVAZ, GAZ) in public procurement. Additional funds were allocated on purchases of automobiles by Government bodies and local administration, as well as for the implementation of the 'cash-for-clunkers' programme.

- Agriculture Ministry Order N° 82 of 3 March 2009 is discriminatory by granting Russian banking loans (with interest subsidies) to farmers depending on the origin of the agricultural equipment purchased. In 2010, such interest subsidies provided by the Agriculture Ministry should amounted to 3.5bn roubles, which was intended to attract an estimated 70bn roubles for purchasing domestically produced agricultural machinery.

- In 2009-2010 subsidies were granted for executive bodies, regional authorities, militia, communal services and medical establishments to buy locally produced passenger cars, transportation cars and special vehicles (32.5bn roubles in 2009, 20bn roubles for 2010).

- The 2009 Anti-crisis plan envisaged working out measures to stimulate the demand for locally produced steel products from the construction industry, the machine-building sector and the fuel-and-energy complex. The plan called for further steps in order to increase the demand for domestically manufactured goods from the Federal Government, private business and the population.

- The Eurasian Economic Commission Regulation No 5 of 25 January 2012 "On Placement of Orders and Conclusion of Agreements to Supply Goods, Execute Orders and Render Services for needs of the Eurasian Economic Commission" states, in Point 2 of Paragraph 4, that public procurement should be based on "equality, fairness, lack of discrimination and unjustified restrictions of competition in relation to participants of public procurement'. However there are opportunities for arbitrary decisions through the provisions regulating direct purchases of goods and services from single suppliers. Paragraph 6 says that "during the formation of the
Commission until 1 July 2012, the authority to approve the list of the single suppliers of goods, works and services shall be carried out by the Chairman of the Board”.

- Ministry of Economic Development’s Decision N°155 of 26 March 2014 provides that participants in public procurement auctions and tenders, who propose to supply goods originating from Russia, Belarus or Kazakhstan, are granted preferences in relation to the contract price in the amount of 15%. The Order entered into force on 31 December 2015.

- Russia adopted a series of sectorial measures restricting access to public procurement. Although Russia has not signed the GPA, this series of measures is worrying as it reflects the Russian protectionist trend. It is expected that this trend is confirmed by additional restrictive measures in the field of public procurement:

1. Medical devices – Gov. Decree N102 of 05.02.2015 'On limiting access of some kinds of medical devices from foreign countries to public procurement'.

2. Certain types of textile/footwear – Gov. Decree N791 of 11.08.2014 'On establishing a ban on access of light industry goods from foreign countries to public procurement' (adopted 11 August 2014 and in force since 1 September 2014)

3. Imported vehicles – Gov. Decree N 656 of 14.07 2014 ‘On establishing a ban on access of some type of engineering products from foreign countries to public procurement’.

4. Light industry imports – Gov. Decree N 791 of 01.09.2014 ‘On establishing a ban on access of light industry goods from foreign countries to public procurement’, which relates in particular to textiles and footwear.


6. Software- Russia has adopted law No 188 FZ on 29 June 2015 on software and the procurement activities of government bodies (entry into force on 1 January 2016), establishing criteria to distinguish local companies from foreign companies. Russia plans to block access for imported software to state procurement at all levels (federal, regional, municipal). In November 2015, PM Medvedev signed a decree obliging to buy only software listed in the special registry of domestic software for public procurement purposes. Purchases of foreign software are permitted only when there is no similar domestic software. The decree takes effect on 1 January 2016.

7. Pharmaceuticals: On 2 December 2015, PM Medvedev signed a decree restricting public procurement purchases of imported pharmaceuticals included in the list of crucially important pharmaceuticals. In accordance with the decree, public procurement of an imported pharmaceutical from the list is not permitted if there are at least two bids to supply the pharmaceutical in question originating from the Eurasian Union (Russia, Belarus, Armenia, Kazakhstan and Kyrgyzstan). "Domestic" bids should not come from affiliated companies. The decree takes effect on 7 December 2015, but foreign pharmaceuticals packaged in Russia will be exempt from the restriction until 31 December 2016.

- Russia may lay down additional rules concerning the procurement by Russian State-owned enterprises in order to formalize the policy of giving preference to Russian goods. On 23
June 2015, the Government proposed to amend the legislation on State-owned enterprises (Law N223-FZ of 18 July 2011) and has introduced additional supervision powers for government agencies over the purchases by State-owned companies, giving it more possibilities to direct their procurement practices. This leads to restrictions of foreign companies' access to such companies' procurement, often in accordance with multiannual plans of import substitution implemented at company level pending further legislative action. Based on this proposal ("On the purchases of goods, works, services by certain categories of legal persons"), a law on procurement by SOEs was in preparation (draft law n° 821534-6, which went through the first reading in the Duma on 15 September 2015).

Russia is not a party to the WTO GPA. Russia committed itself to join the GPA at the time of WTO accession. It is bound to become an observer to the GPA and initiate negotiations for membership within four years of its accession.

South Africa:

- On December 2011, South Africa introduced new Preferential Procurement Regulations in an effort to align them with the Broad-based Black Economic Empowerment Act of 2003 (B-BBEE Act) and the associated Codes of Good Practice. As before, tenders are decided on a point-based system, which awards 90 points on price and 10 points on empowered status for large contracts (>R 1 million), and 80:20 for contracts smaller than R 1 million. Empowerment status is determined not only on the basis of black shareholding, but also by means of a scorecard that measures a broader set of empowerment criteria, including management, employment equity, contribution towards the development of skills, preferential procurement by firms from black enterprises, the assistance of small black-owned enterprises and contribution towards socio-economic development.

- The Preferential Procurement Regulations of 2011 already empowered the government to designate sectors for local procurement to a defined threshold, as well as enabling state institutions to stipulate localisation requirements in tender specifications not designated by the Minister. In 2011, the following sectors were initially earmarked for exclusive local procurement: power pylons, railway rolling stock, buses (bus bodies), canned and processed vegetables, clothing and textiles, footwear and leather products, and television set top boxes. A second round of designations was announced in 2012, which includes pharmaceuticals, electrical cables and telecom cables, and furniture. A third round of designations in 2014 have added residential electricity meters, boats and its components, solar water heater components, rail rolling stock sector, and valve products and actuators. The level of local content for designated sectors varies between 30% and 100%, and is determined on a product-specific basis.

- Far-reaching changes have been introduced to the B-BBEE Act, with the B-BBEE Amendment Act in effect from 24 October 2014 and its amended Codes of Good Practice from 1 May 2015. The changes are aimed at guaranteeing stricter compliance, placing more emphasis on direct debt-free black ownership, as well as broadening its sphere of influence, all of which significantly affects not only the ability to successfully tender for Government and public entity tenders but also to secure private contracts, for example, for firms whose customers require a minimum B-BBEE status from suppliers.

Also, under the revised Act, government and public entities have an obligation to take the Codes into account in their procurement policies and in issuing licences and authorisations (previously they were only obliged to do so “as far as reasonably possible”). These organs of state and other public entities are also empowered to exceed the B-BBEE qualification criteria for procurement and other economic activities. And, in
certain sectors, such as mining and gaming, B-BBEE rating is absolutely necessary for obtaining licenses.

Also a new and stricter method of calculating the B-BBEE Status Level of an enterprise now applies and this will make it harder to attain a "good" B-BBEE Status Level. The new codes retain the same "Scorecard" to rate a firm’s commitment to economic transformation but they have been streamlined to five different elements, the major novelty being that larger enterprises cannot pick and choose amongst the different elements such that they can make up in one element where they have shortcomings in another but are obliged to satisfy all the elements of the scorecard. In addition, there are elements that have been identified as "priority elements": ownership (40% weight), skills development, and enterprise and supplier development. With regards to this last element, which includes the subcategory of preferential procurement, the concept of "empowering supplier" has been introduced, where points are accumulated by entities that procure goods and services from such 'empowering supplier'. If a supplier does not obtain this status, even if they are black-owned, then no points will be obtained in this area. This could prove challenging to companies importing products in the context of value chains.

Also part of the B-BBEE framework, sectors such as financial services, land, tourism or construction have their own “transformation charters” or Sector Codes intended to accelerate empowerment within these areas. Sector Charter Councils were given until 31 October 2015 to amend the Sector Codes to align with the Amended Act and Codes. By the 10th of November 2015, only five sector charter councils had made submissions and these are tourism, marketing and communication, agriculture, forestry and property sectors, while the construction, transport, financial services, chartered accountants, and information and communication technology sectors have not done so. The DTI announced that all codes submitted after the 15th of November 2015 would be repealed and the said sectors would have to revert to the generic codes of good practice.

- **On July 2015, a draft amendment to the Preferential Procurement Regulations was forwarded for comment by the Treasury whereas the limits on the preference point system for government tenders are increased; the 90:10 would apply to tenders above ZAR 50 million and the 80:20 ratio to tenders between ZAR 10 million and 50 million. With regards to government bids and quotations up to ZAR 10 million they would in future be evaluated on a 50/50 preference point system instead of the B-BBEE status level of the contributor, the 50 points would be awarded in accordance to different criteria such as female black ownership, ownership by persons with disabilities or local economic development.**

- **Finally, to coincide with the launch of IPAP (Industrial Policy Action Plan) 2015, the government announced further designations for local procurement in the following product areas: transformers, power-line hardware and structures, steel conveyance pipes, mining and construction vehicles and building and construction. In the case of the last sector, the first round of construction material designations include cement, fabricated structural steel, pipes and fittings, sanitary ware, glass, frames and roofing materials.**

- **With regards to the supplier schemes, in 2013 the government revised its guidelines on the National Industry Participation Programme (NIPP), aimed at government and parastatal purchases or contracts, to align it with other procurement instruments. The NIPP is mandatory on all government and parastatal purchases or lease contracts with an imported content equal to or exceeding US$10 million (that do not fall under the CSDP, Equity Equivalent requirement, or the products under the Local Procurement Accord). It places a statutory obligation on the suppliers to participate in domestic economic activity in an amount equivalent to 30% of the contract awarded, by supporting directly (Direct NIP related to the
sector or industry from which the public sector procurement contract originates) or indirectly (Indirect NIP, not the government preferred method), in the productive sectors of the economy through any or a combination of investment, export sales, research and development, technology transfer and transformation of the domestic economy, with special emphasis on the manufacturing sector.

- The supplier scheme in place with regards to the State Owned Enterprises (SEOs) is the Competitive Supplier Development Programme (CSDP), which is the Government’s effort to promote the reduction of import content of capital and associated operational expenditures by SEO’s. The overall long-term national target set for the programme is to increase the participation of the national industry from 60% to 70% of the SOE expenditures by 2012, which is for now still the benchmark.

South Africa is not a party to the WTO GPA.

**South Korea:**

- The Korea Gas Corporation (Kogas), a public corporation, opened a call for tender for the construction and the lease of six LNG carriers destined to transport liquefied natural gas (LNG), the results of which were published on October 24, 2014. Notably, the Kogas is subject to the rules of transparent procurement and non-discrimination as relates to its supply and construction contracts, while excluding its service contracts. According to the rules of tender, however, “in view of the importance that the supply of LNG assumes for Korea and also of the object, the sphere and the nature of the transportation contracts, the shipping companies not affiliated with the Korean Ship-owners’ Association, or who are controlled by those countries under an embargo under the Maritime Transportation Law, may not participate in the call for tenders.” Given that the entirety of the affiliated ship-owners was of Korean nationality, it de facto excluded the participation of foreign companies. In addition, the technical specifications relating to the LNG carrier membrane confinement required in the present call for tenders reveals Kogas’s clear intention to favor and ensure the emergence of a Korean technology, which was deemed to be in contradiction with the principles set forth in the EU-Korea FTA and the WTO Agreement on Government Procurement of 1994.

- The Public Procurement Service (PPS) published a call for tender open to both Korean and non-Korean companies on June 23, 2015, in order to carry out a procurement procedure for the purchase of a multipurpose helicopter on behalf of the National Police Agency. However, the PPS cancelled the awarded international tender only a few days later on June 30, 2015, with specific reference to the general security exception clause in Article 3 of the WTO Government Procurement Agreement (GPA). In the Request for Proposal of the tender, notably, it is explicitly stated that public order management is not the only purpose of the purchase concerned and that the multipurpose helicopter shall be able to support various and different missions such as: rescue of people and property protection during emergencies and natural disasters; transport of emergency patients; and traffic monitoring. It is recalled that the exceptions set by Article XXIII of the WTO Agreement on Government Procurement can be invoked only when “being subject to the requirement that such measures are not applied in a manner which would constitute [...] a disguised restriction on international trade”.

**Taiwan:**

- Foreign companies face difficulties due to practices contrary to the spirit of the GPA, such as the imposition of conditions in the Qualification Criteria that go beyond criteria to evaluate the legal and financial capacities and the commercial and technical abilities of the company to undertake the procurement. For example, in construction projects, the practice of attributing points for previous awards received from government authorities such as the Public Construction Commission (PCC) seriously limits the participation of foreign companies.
• There are also measures, which although not discriminatory in nature are considered all together by foreign companies as burdensome and effectively deterring them from participating in procurement projects in Taiwan.

  o **Stringent liability regime.** In 2014 the PCC amended article 18 of the Model Contract of Construction Procurement, abolishing the provision of capping the contractor’s total liability at the contract price by default. The amended provision allowed the procuring entity to set an amount at their discretion based on the nature and needs of the procurement. This amendment deviates from the spirit of sharing risks reasonably and from international standards.

  o **Arbitration.** The current rules of the Government Procurement Act put at a disadvantage the awarded supplier entities vis-à-vis the procuring agency if the latter does not agree with the mediation proposal made by the Complaint Review Board for Government Procurement (CRBGP). This discourages foreign companies from bidding. An amendment of Paragraph 2 of the Article 85-1 of the Government Procurement Act – under review in the Legislative Yuan for years with no clear adoption date in sight – would remedy this situation by stipulating that in such cases the procuring agency may no longer object to arbitration filed by the awarded supplier entity.

Taiwan is a party to WTO GPA since July 2009.

**Thailand:**

Thailand is not a party to the WTO GPA.

**Tunisia:**

• A new Code of Public Procurement was adopted on March 13th 2014 (Decree n° 2014-1039) and entered into force on 1 June 2014. It is part of an overall reform process of moving from a system of ex ante to ex post control. The new Code grants a 10% margin of preference for Tunisian companies in goods and works tenders, and encourages foreign bidders to associate as much as possible local companies in the execution of contracts. Although the Code does not make any distinction between domestic and international tenders, in practice Tunisian administrations still allow foreign bidders only to participate in international ones. In addition, foreign bidders do not enjoy full access to the electronic tendering platform TUNEPS - the Tunisian authorities promised a solution to the latter problem.

Tunisia is not a party to the WTO GPA.

**Turkey:**

• Turkey’s public procurement legislation allows for a 15% price preference in favour of domestic suppliers when participating in tenders as well as for set asides for Turkish goods and suppliers. The amendment to the Public Procurement Law in February 2011 partially revised the application of the domestic advantage clause. Although this revision reduced the discrimination against the foreign tenderers, existence of such a preferential provision remains to be an obstacle to fair competition. Besides, a further amendment in May 2014 created the obligation for the procuring entities to grant a 15% domestic price advantage to domestic or international bidders in supply tenders if they offer domestically produced goods. In addition, an offset clause has been introduced in the Law and such tenders were excluded from the scope of the Law. The Ministry of Science, Technology and Industry has been designated as the authority both to determine domestic goods and to set the rules for the award of offset
contracts. Of the overall public contracts value, about 2% were awarded to foreign bidders in 2013.

- Turkey imposed local content requirements in the tender specifications defined for the 4.5 G mobile tender that was concluded in August 2015. Local content requirement ratios for the hardware and software investments were set as 30%, 40% and 45% for the first three years respectively. Additionally, operators were required to procure at least 10% of their investment-related product materials from small and medium sized enterprises (SMEs) that are established and manufacturing in Turkey.

- The Communiqué on the Implementation of the Industry Cooperation Programme (ICP) in the Field of Healthcare Services was promulgated in the Official Gazette on 20 December 2015. The communiqué introduces the "Industrial Cooperation Rate" and indicates that the Industry Cooperation rate shall be at least 50 percent of the total value of the Main Healthcare Procurement Contract. It also provides the categories of requirements for ICP activities. These categories are (A) local production contribution, (B) investment, (C) technological cooperation and (D) exportation. The communiqué stipulates that "in addition to the commitments made within the scope of the procurement of goods or services required by the Requirements Office, the Contractor shall be obliged to fulfil its commitments within the scope of the ICP categories for the purpose of ensuring innovation, localization and/or technology transfer in the industry, enhancing the added value and competitive power of the local industry and developing export opportunities." The requirements of support to be provided locally can easily be defined as civilian offset, which was out-ruled by Turkey with the introduction of the Public Procurement Law in 2002. However, there has been an increasing tendency to introduce various forms of it in the recent years as a part of the industrial policy entailing domestic favouritism. The first concrete step was taken by the enactment of the omnibus law no. 3450 on the Duties and Organisation of the Ministry of Social Policy and Family in February 2014. The omnibus law, implicitly legalizing civilian off-sets again, exempted the acquisitions involving off-sets from the Public Procurement Law.

Turkey is an observer to the WTO GPA.

Ukraine:

- Ukraine is an observer to the WTO GPA and negotiations to join this Agreement have been completed. On 11 November 2015, the WTO’s Committee on Government Procurement agreed to invite Ukraine to join the GPA based on the terms set out in a draft decision circulated to Parties on 9 October. Ukraine will formally accede to the GPA 30 days after it has deposited its instrument of accession with the WTO.

United States:

- On December 4 2015, President Obama signed into a law a five-year, US$305 billion "Fixing America’s Surface Transportation" Act (FAST Act). The new law calls for spending approximately $205 billion on highways and $48 billion on transit projects over the next five years. The legislation includes an increase of Buy America provisions, changing the current domestic content rules for procurement of rolling stock for the Federal Transit Administration from 60% of US content to 70% of US content by 2020. Section 3011 states that "when procuring rolling stock (including train control, communication traction power equipment and rolling stock prototypes) the cost of components and subcomponents produced in the United States – for fiscal years 2016 and 2017, should be more than 60 percent of the cost of all components of the rolling stock; subsequently for fiscal years 2018 and 2019, this is set at more than 65 percent of the cost of all components of the rolling stock; and finally for fiscal year 2020 and each
fiscal year thereafter, at more than 70 percent; and final assembly of the rolling stock must have occurred in the US.

- **In May 2015, the House passed National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016, which includes a provision increasing the simplified acquisition threshold from its current level of $150,000 to $500,000. If this legislation passes this could potentially significantly reduce procurement opportunities for EU suppliers by de facto increasing US GPA threshold to $500,000 (from the current level of $200,000). However, on June 18, 2015 the Senate passed its version of the NDAA, which did not include the increase of the Simplified Acquisition Threshold (SAT).**

- **On March 6, 2015, the Department of Transportation (DOT) issued a notice of proposed rulemaking to modify its regulations governing hiring preference provisions in DOT funded contracts**. The proposed modification, an amendment to the Common rule (which currently includes a prohibition on the use of in-state or local geographic preferences in the evaluation of bids using federal funding) would remove this specific prohibition but maintain the general rule that such preferences may not “unduly limit” free and open competition. Additionally, DOT has established a pilot program under which geographic-based hiring requirements may be used on an experimental basis for the purpose of evaluating whether such contracting requirements have an undue restriction on competition. The proposed rule would specifically “permit recipients and sub-recipients to impose geographic-based hiring preferences”.

- **Texas - In January 2015, Democratic Representative Yvonne Davis introduced a bill (HB 1007), which would establish exceptionally strict domestic content requirements (60% of components by cost must be American and final assembly must occur in America) for any state procurement contract related to construction projects. The legislative language is vague and could have a far-reaching impact. The bill does not include any provisions on "consistency with international obligations", which means its passage could result in WTO violations. The legislation passed in the State Affairs committee on May 1, 2015 but did not advance further before Texas’ legislature adjourned on June 1, 2015 (until January 2017).**

- **Maine - In February 2015, Buy American legislation (LD 407) was introduced in Maine. The bill would require state agencies to purchase goods that are U.S. manufactured for all state contracts. The definition of “made in America” has yet to be established and would be created upon its passage.**

The United States are a party to the WTO GPA.

**Vietnam:**

- **Prime Minister’s Directive no. 494/CT-TTg dated 20 April 2010 on the use of domestic materials and goods in bidding of state-funded projects. It states that for bidding of goods procurement, international bidding shall be held only if domestic goods, materials and equipment cannot meet package requirements or those cannot be provided locally or sponsors of Overseas Development Aid (“ODA”) package require of international bidding. It is expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.**

- **Vietnam published a revised Law on Public Tendering in 2013, which entered into force on 1 July 2014. This Law continues to give preferences to domestic suppliers of goods and services as well as domestically made goods. Accordingly, foreign suppliers/contractors are only**

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80 FR 12092, pp. 12092-12094
selected when domestic companies cannot provide goods/services or when financing agreements between the government of Vietnam and donors require international biddings (in case of packages that use funding from Official Development Assistance). It is expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.

Vietnam is an observer to the WTO GPA.

III.2. Investment and services

Algeria:

- Since 2008, foreigners may form a company and operate a business only if they enter into a partnership with a local firm, which must own at least 51% of the capital. The rule, initially designed to cover only manufacturing activities, has been extended overtime to cover import and may be further amended – according to very recent press reports – so as to include retail activities. A series of instructions issued on 20-22 December 2008 introduced stringent procedures for foreign investors and traders in Algeria. The instructions specify that any foreign investment required a majority participation of Algerian capital. Furthermore, foreign investment above a certain amount would be subject to examination by the National Investment Council; the capital could only be mobilised on the Algerian capital market; and any project would need to result in positive foreign exchange balance for its entire duration. The law "La loi de finances complementaire 2009" (LFC 2009) of 26 July 2009 introduced further restrictions, such as a 'Buy Algerian' requirement for all investors benefitting from assistance of the Agence Nationale de Developpement des Investissements (ANDI) and a pre-emptive right for the State of re-aquisition of shares sold by foreign investors.

- The regional agencies of the Régistre national du commerce have been instructed to extend the obligation to have a 51% minimum requirement for Algerian shareholding to companies already established before the entry into force of the LFC 2009 in case they now wish to modify their shareholding composition. While the LFC 2009 only applied to newly established companies, these new guidelines made the application of the 51% rule retroactive and prevented companies from welcoming new investors. This rule was subsequently enshrined in the Loi de Finances for 2016.

- One of the implementing acts to the LFC 2009, decree no. 09-283 of 12 May 2009, imposes a 40% participation of Algerian capital in the maritime services. The law is in force since 23 May 2011 and applies to already existing companies as well as to new investments in Algeria.

Argentina:

- On 21 February 2011, the Argentine insurance regulator (Superintendencia de Seguros de la Nacion or SSN) issued Resolution Nº 35.615/2011 modifying the regulatory framework for reinsurance in the country, which entered into force in September 2011. Among its main provisions, the new regulation only authorizes national companies or locally-established branches of foreign companies to provide reinsurance services in the country (cross border supply or consumption abroad of reinsurance services will no longer be possible). By way of derogation, companies can request a waiver from this obligation when they can prove that the degree of risk cannot be covered in the local market. On 26 May 2011, resolution 35794/201-SSN modified the regulatory framework established with the previous resolution. This new regulation allows cross-border supply of reinsurance services both for risks above USD 50 million and for retrocession services. Nevertheless, other restrictions remain in place (e.g. reinsurance abroad of life insurance and transfer abroad of more than 40% of premiums of local reinsurers are not allowed). The minimum requirements to apply for the waivers, when

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the degree of risk cannot be covered in the local market, were defined through Resolution 36332 of 12 December 2011.

- On 27 October 2011, Resolution 36162/2011 issued by the SSN established the obligation for insurance companies to repatriate investments abroad before 15 December, even though exceptional cases could be considered. The regulation stipulates that foreign investments and assets cannot exceed 50% of their total capital.

- Law 26737 passed on 28 December 2011 restricted the purchase of lands by foreigners, limiting foreign ownership of rural lands to 15% and the maximum land extension to be held by a single foreigner to 1,000 hectares at the so-called “core zone” or its equivalent in other zones of Argentina. Foreign individuals with residence in the country, married to Argentine citizens or with Argentine children are exempted from the provisions. A national registry of rural lands was created, and foreign right-holders have to register their properties accordingly.

- As from 1 April 2012, Argentina's tax and customs authority extended to imports of services the obligation to submit a prior sworn statement, through Resolution 3276/2012. This requirement is applicable for service contracts above USD 100,000, or with instalments over USD 10,000.

- Resolution 142/2012 published on 25 April 2012 set a reduced period of 15 days for the handling of foreign currency deriving from intragroup exports. It also amended the general conditions to liquidate foreign currency from exports of goods into the local financial system, by shortening them from 60, 180 and 360 days to 15, 90 and 360 days, depending on the product. Later Resolutions 187/2012 and 231/2012 extended the minimum period and the mandatory period for linked companies from 15 to 30 days, while exempting exporters with annual operations of less than USD 2 Mn/year from these provisions. Numerous exceptions for particular companies were also authorized since 2012.

- On 28 May 2012, the Secretariat of Mining adopted Resolution Nº 12/2012 that imposed on mining companies the requirement to use Argentine transport companies for the exportation of minerals - to the extent possible considering the international agreements signed by the country.

- General Resolution 3276/2012, amended by Gen. Res. 3395/2012 extended the requirement of a prior sworn declaration to services (DJAS). DJAS is by far the most important protectionism measure adopted in Argentina with regard to importation of services. As mentioned below, on 22 August 2014 (confirmed by the Appellate Body on 2 July 2015) a WTO Panel ruled that the DJAI procedure is inconsistent with Article XI:1 of the GATT 1994, since it has a limiting effect on imports equivalent to an import restriction. The WTO ruling on illegality of the DJAI system however applies only to importation of goods and does not tackle the issue of importation of services. For the moment the prior sworn declarations for importation of services therefore remains in place.

Australia:

- Australia announced on 12 February 2009 that it would seek to amend the Foreign Acquisitions and Takeovers and Amendments Act 1975, clarifying the operation of foreign investment screenings to include investment instruments which involve the exercise of rights to acquire shares or voting power in the future. The amendments were assented to on 12 February 2010 and apply retrospectively from the date of the announcement.

- In 2015 Australia adopted new restrictive measures on its foreign investment framework. The new measures focus in particular on residential real estate and agricultural investments, and have been given effect inter alia by the Foreign
Acquisitions and Takeovers Legislation Amendment Bill 2015, the Register of Foreign Ownership of Agricultural Land Bill 2015 and the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015, which were passed by Parliament on 24 November 2015. The key elements are listed below and, unless otherwise stated, took effect from 1 December 2015:

1. The compliance and enforcement functions of the foreign investment rules dealing with residential real estate have been transferred from the Foreign Investment Review Board to the Australian Taxation Office. The Australian Taxation Office will improve compliance and enforcement through sophisticated data-matching systems and specialised staff with compliance expertise.

2. Introduction of stricter penalties that will make it easier to pursue foreign investors that breach the rules:
   
   - The existing criminal penalties (which will be increased from $85,000 to $135,000 for individuals) and divestment orders have been supplemented by civil pecuniary penalties and infringement notices for less serious breaches of the residential real estate rules.
   - Third parties who knowingly assist a foreign investor to breach the rules are also now subject to civil and criminal penalties.

3. Introduction of fees for all foreign investment screening applications.

4. Increased scrutiny around foreign investment in agriculture.
   
   - From 1 March 2015, the screening threshold for agricultural land was lowered from $252 million to $15 million (cumulative).
   - A $55 million threshold (based on the value of the investment) for direct investments in agribusiness has been introduced to capture certain downstream activities with links to primary production.

5. Increased scrutiny of the levels of foreign ownership in Australia through a comprehensive land register:
   
   - An agricultural land register with information provided directly to the Australian Taxation Office by investors was established from 1 July 2015.
   - The Australian government has reached agreement with state and territory governments to use their land titles data to expand the register to include all land (including residential real estate).

**Brazil:**

- On December 15, 2010 the National Council of Private Insurance (CNSP) decided to change the way in which the reinsurance business is conducted in Brazil by introducing two new Resolutions 224 & 225 aimed at protecting the interests of Instituto de Resseguros do Brasil (IRB). Resolution 224 has then been replaced by Resolution 232, which entered into force on 31 March 2011. Under new regulations, insurers can only cede a maximum of 20% to affiliates abroad. The objective is to induce insurers to use local reinsurers, which means also accepting whatever rates and conditions are offered locally. This provision has been
changed by the CNSP Resolution 322/2015 of 20 July 2015 increasing the limitation to foreign companies from 20% up to 75% over a transition period of 5 years lasting up to 1 January 2020.

- The Government of Brazil currently restricts foreign investment in domestic airline companies to a maximum of 20 percent. Currently held discussions in the Congress are analysing either removing this limitation at large or increasing it up to 49%. Restrictions in the telecommunications sector, in 2011 Brazil enacted imposition of local presence and frequency coordination requirements and the preference for Brazilian companies.

- Restriction in maritime services - Cabotage is reserved for Brazilian-flag vessels operated by Brazilian shipping companies. Foreign vessels may only participate in cabotage when chartered by a Brazilian shipping company, for which an authorization must be obtained. Authorizations waiving this restriction may be granted when: a Brazilian-flag vessel of the required type is not available; for public interest/reasons; or if the foreign vessel substitutes for a vessel that is under construction in a Brazilian shipyard.

- New restriction on legal services, of February 2012. Partnership between Brazilian and foreign law firms is not permitted.

- Land purchase restrictions for foreign companies were introduced in August 2010. Foreign companies, even if acting through a subsidiary in Brazil, cannot buy more than 50 modules of land, varying between 250 hectares and 5000 hectares depending on the region. The legislation does not apply retroactively to existing properties.

Canada:

- The Investment Canada Act, enacted in 1985, allows the Canadian government to examine foreign investments which surpass a certain level, which is updated annually. The 2015 threshold above which a notice of investment is required and government review is triggered is 369 million CDN for WTO members and 5 million CDN for non-WTO members. For investment in financial services, transport, uranium production and cultural industries, the thresholds are 5 million CDN for direct investment and 50 million CDN for indirect investment. Acquisitions are authorised if an investment is deemed to be of "net benefit" to Canada.

China:

1) National Security Review: Establishment of a National Security Review Process: In February 2011, the State Council announced the setting up of a national security review process for mergers and acquisitions, to enter into force in March 2011. On 1 September 2011, definitive implementing provisions came into force. Though the establishment of a system to review foreign mergers and acquisitions with a potential impact on national security is not uncommon, the Chinese system raises many questions with regard to the definition of national security, which is defined very broadly with many sectors being included. Furthermore, there is concern with the timeline of the review, possible retroactivity and third party complaints. It is feared that this review will considerably lessen legal security for foreign investor in China. To date, it does not seem that any mergers have been blocked as a result of the introduction of the review system.

* 2015 can be regarded in China as the year of National security: indeed there were a series of new initiatives taken where China can interfere with regard to investment based on National Security. Namely:
• the National Security law (not only relevant for investment and thus more details on this are taken up in the more general part of this annex),

• draft cyber security law (not only relevant for investment and thus more details on this are taken up in the more general part of this annex),

• national security review taken up in the draft Foreign Investment Law (draft FIL: see described below under point 3) and

• the national security review taken up as pilots in the Free Trade zones: the security review as proposed in draft FIL is from a different nature and structure than the one in the draft FIL (probably due to different Ministries in charge - namely Mofcom for draft FIL and National Development and Reform Commission (NDRC) for Free Trade Zones - and the one used in the pilot of the Free Trade Zones shows more similarities with the national security which was in place since a few years for investment).

• the draft law for foreign NGOs (so-called the Foreign NGO Management Law (Second Draft)) imposes dramatic restrictions and limitations on foreign NGOs. In particular, it requires foreign NGOs to find an official government 'sponsor', which must approve their activities for 2016 by 30 November 2015. All overseas NGOs must obtain approval from public security authorities, must hire at least half of their personnel from a government-approved agency and must subject their operations to surveillance by the Ministry of Public Security. Failure to comply could subject foreign NGOs and their domestic partners to criminal penalties. The current draft of the law would severely hinder the activities of European NGOs and could therefore impact negatively not only the People-to-People Dialogue but also our trade and economic relations. As it is presented it could affect the work of business associations, chambers of commerce, think-tanks and other trade actors.

The common problem with these various (draft) legislations affecting investment is that there is no clear definition of 'national security' and therefore a lot of discretionary power is left to the administration (which risk taking into account economic considerations), often without any adequate possibility to appeal the restrictions imposed on foreign companies.

2) Foreign Investment Catalogue:

* Since its first promulgation in 1995, the Foreign Investment Catalogue was reviewed 6 times. The last proposal for revision was issued in March 2015. While China claims an almost 50% reduction of restricted or prohibited sectors compared to the 2011 Catalogue - the number of restricted industries were reduced from 79 to 38, and the number of prohibited industries from 38 to 36 - in reality changes are more reclassifications of existing restrictions so the restricted areas largely remain similar as the previous versions while actually a number of new restrictions were also introduced.

3) Draft Foreign Investment Law

The new draft foreign investment law (draft 'FIL') was published in January 2015 with the objective of replacing the three foreign investment laws currently in place. It indeed tries to merge the previous Sino-Foreign Equity Joint Venture Enterprise (EJV) Law, Sino-Foreign Cooperation Joint Venture (CJV) Enterprise Law, and Wholly Foreign-Owned Enterprise (WFOE) Law into one single framework law. Moreover, China wants to establish a principle of national treatment, with exceptions exhaustively contained in a 'negative list' which will allegedly replace the Foreign Investment Catalogue (mentioned under point 2
above). These are positive elements but there are a number of elements for concern, some of which are:

First and for all, the fact that there will still be in the future a specific law applicable to foreign investment in China may point to discrimination.

Secondly, there will be a tightening of the national security review screening, which is much more restrictive than before: there is a significant expansion of the scope of the National Security Review mechanism to cover also greenfield investments and allow for the review of investments that have already been approved and established. The factors to be taken into account are not exhaustively listed and certain amongst them do not appear limited to pure national security concerns.

Third, the use of the concept of foreign ownership or control may also lead to discrimination.

Fourth, investment above a certain threshold will in any circumstance still need prior approval irrespective of the sector. No details are given as to the amount of the threshold or the process and actors of the decision regarding the thresholds yet.

Fifth, excessive requirements are put in place for reporting for foreign investors.

There is no specific timetable for the final release of the new Law, the expectation being 2017.

4) Draft legislation on the Administration of Investment subject to verification and approval

The NDRC issued on 12 June 2015 a draft "Regulation on the Administration of Investment Projects Subject to Government Verification and Approval and Investment Projects Subject to Government Record-filing" (hereafter: the Regulation) which prescribes which investments have to be subject to verification and approval in the future. This draft regulation discriminates between domestic and foreign investment and leaves space for discretionary power by using broad terms (i.e. on national security, industry interest, etc) and no possibility to challenge administrative decisions.

The same regulation was reviewed by the Legislative Affairs Office of the State Council (SCLAIO) only within a few weeks after NDRC came out with its law with basically no changes in substance.

5) Nation-wide Negative List

On 19 October 2015, the State Council officially released the full texts of the “Opinions on the adoption of a negative list approach for regulating market access”, which mapped out plans to draft and implement a series of “negative lists” for market access. The State Council will draft negative lists of industries and sectors from which investments are prohibited or restricted. Moreover, there will be two kinds of lists: “Negative list of general market access” and the “Negative list of market access for foreign investments”. The former will regulate both domestic and foreign investors, while the latter will apply to foreigners that engage in investment and business operation in China. A national unified negative list for regulating market access will be adopted starting from 2018. The system of nationwide negative list entered into force on 1 December 2015. Between 1 December 2015 and 31 December 2017, the negative list will be tested in some pilot regions. Local governments may make proposals in that context in that period but still an approval by the State Council will be necessary. The proposal also aims at integrating all restrictive measures into the "negative list" and provides a coherent link to other major pieces of legislation governing domestic investment restrictions and there is a clear timeline to this reform (January 2018). However, the proposal still enshrines the
principle of discrimination (two lists for domestic and foreign) and security exceptions allow restrictions beyond the list itself. For restricted sectors, either there will be approval process or, on the other hand, administrative requirements. Current Foreign Investment Catalogue is similar but not the same as nation-wide negative list approach as it does not relate to approval procedures and China wants also to get rid of the encouraged sector in the Foreign Investment Catalogue (leads to requests for incentives which leads to unfair competition and also bribery).

6) Sectoral/Miscellaneous:

- The recently revised Catalogue for Guidance of Foreign Investment (March 2015) has for the first time formalised this investment restriction on automotive components but limited it to the battery systems by stipulating the following: "Manufacture of key parts and components of new energy automobiles: high energy power batteries (with the proportion of foreign investment not exceeding 50%)".

- According to the Interim Provisions on Licensing Administration of Direct Access to and Use of Foreign Computer Reservation Systems by Foreign Airlines Agents in China (CCAR-315) that entered into force in October 2012, foreign CRS providers are allowed market access to the foreign airline segment of the Chinese CRS market, which contributed to enhancing legal certainty. However, simultaneously the Itinerary Receipt Circular was adopted, in the form of a regulatory requirement imposed on Chinese travel agents to issue an itinerary receipt on international business and leisure electronic tickets (Circular on Issues Concerning the Use of Itinerary Receipt of Electronic Ticket for Air Transport for International Air Ticket (guoshuifa (2012) No. 83). Currently, this Circular means that Chinese travel agents are only able to use TravelSky's (the Chinese incumbent's) system as it is the only CRS system certified and approved by CAAC (Civil Aviation Administration of China). Other problems in this market arise from TravelSky's practices and given mandate. TravelSky has been practicing highly anti-competitive behaviour which includes coercing travel agents into long-term exclusive agreements, and threats of commercial retaliation to any travel agents that have signed agreements with foreign CRS. Also, TravelSky acts both as regulator and competitor in the same market as it assist CAAC to monitor compliance with the CRS regulations by travel agents, and the CRS market.

- The “Measures for the administration of the express delivery market” took effect on March 1st, 2013. These measures introduced a number of potential restrictions for foreign services providers, e.g. the necessity to apply for an international licence at the municipality level (instead of the provincial/national level as per previous practice). In early 2014, a number of European express delivery companies were requested by State Postal Bureaus and local postal regulators to connect their internal CCTV monitoring appliances to the regulator’s system to enable postal bureaus to have real-time access and monitor companies on a constant basis. The companies are also requested to bear the costs for network cables and equipment installation.

- In December 2012, China's State Council Legislative Affairs Office (SCLAO) published for comments (by 10th January 2013) 3 sets of measures drafted by the General Administration of Press and Publication (GAPP) for internet publishing services:

  1) Administrative Measures for Internet Publishing Service (Revision Draft for Comments)

  2) Administrative Measures on the Standardization in the Press and Publication Industry. This measure entered into force in September 2014.
3) Administrative Measures for Establishing Offices in China by Overseas Press and Publication Organizations (Draft for Comments).

The scope of the first regulation on Internet Publishing Services is potentially wide and may overlap with existing commitments of China under the GATS and under TRIPS, notably in distribution and computer. Some aspects of the regulation – such as the interdiction for joint venture to provide these services – could cause problems of compliance with existing international obligation of China under the WTO Agreement.

- New draft Measures for the Administration of Trial Operation of New Types of Telecommunications Businesses were published by MIIT for comments on April 2013 for one month. At the time of this report, the law has not yet been published. In the WTO classification context, China considers the vast majority (if not all) of the information and communication technology (ICT) services to be value-added telecom services, thus protecting its domestic industry from foreign competition. MIIT maintains a catalogue of these value-added telecom services; however, the catalogue has not been updated in years and does not contain “new” ICT technologies: cloud computing, social networking platforms, mobile apps, big data analytics, etc. Thus, MIIT considers all of these to be de facto value-added telecom services and treats them as such for licensing and market access purposes, however the WTO legal basis of that has been ambiguous.

- Foreign-flagged vessels, which are owned by a Chinese company, may now engage in international relay in a number of Pilot Free Trade Zone, while foreign-flagged vessels owned by foreign companies may not, thus creating an uneven playing field. International practice in maritime transport only warrants flag-based requirements.

- At the end of 2013, the government-run website www.12398.gov.cn - an important source of electricity market information - was shut down. While a new site is expected to be built, no progress has been made so far. This closure together with the recent dissolution of the SERC (State Electricity Regulatory Commission) are further limiting access to information and stifling progress towards the national government’s goal of greater openness and competitiveness of the electricity market. It is also compromising the ability of foreign enterprises to offer suitable solutions for the Chinese market.

- In May 2014, the NDRC and the PBOC issued jointly a document called the Notice on Organising and Piloting Mobile E-Commerce and Financial Service Innovation mentioning the promotion of the use of smart mobile payment terminals using the algorithm for mobile payments which will be one of the existing national algorithms, but without publicising it to foreign companies. Without knowing the algorithm, it is impossible for any foreign-invested company to comply with the standard and therefore access the mobile payments market.

- In May 2014, following the public dispute between US and China on cyber-theft of trade secrets, China announced a new vetting procedure for IT products and services. This network security screening will focus on the "security and controllability" of products and services used for government procurement and critical industries "related to national security and public interest". This includes communications, finance, energy and transportation. Failure to meet the test would result in exclusion from the Chinese market. This system has the potential to put foreign IT product and service providers at a significant disadvantage.

On 10 September 2014, the China Banking Regulatory Commission (CBRC), the National Development and Reform Commission (NDRC), Ministry of Science and Technology (MOST), and the Ministry of Industry and Information Technology (MIIT) jointly issued a document entitled "Guidelines for Applying Secure and Controllable Information Technology to Enhance Banking Industry Cybersecurity and Informatisation"
Development”. The guidelines inter alia provide that domestic banks as well as foreign incorporated banks are required to progressively increase their expenditure on "secure and controllable" IT to reach the level of 75 % by 2019. These Guiding Opinions were complemented in December 2014 by a detailed technical "catalogue" laying down precise criteria for ICT equipment to quality as 'secure and controllable'. This latter document was circulated to banks, but has never been publicly disclosed. These rules go well beyond legitimate security concerns (e.g. force companies to use Chinese intellectual property and to disclose business secrets like key software source codes, impose localisation requirements for Research and Development operations, restrict the cross-border flow of data, etc.). Following international pressure, the China Banking Regulatory Commission (CBRC) issued in February 2015 a document clarifying certain provisions. China officially suspended the guidelines in April 2015, and indicated that a revised version of the guidelines was under preparation by the end of 2015. Nevertheless EU industry indicates that the banks are actually implementing the 'guidelines' in practise and they are losing market as only domestic companies are delivering the services in question. There is also quite some concern that this type of measure spreads to other sectors such as energy, telecoms or insurance. In fact, China later introduced a similar measure for the insurance sector as explained in the following paragraph.

- On 9 October 2015, China Insurance Regulatory Commission (CIRC) issued the Draft Regulation on the Supervision of Insurance Institutions. The draft Regulation is of a fairly general nature – though sometimes very prescriptive in the internal organisation of insurance institutions – and raises a number of potential concerns such as requirements for the use of domestic cryptography, broad mandates of multi-level protection scheme (MLPS) that are not proportionate, mandates on "secure and controllable hardware equipment and software products", mandatory national standards as well as several other areas that would need further clarification.

- Concerning the postal and express delivery industry, the State Postal Bureau issued further compulsory requirements for tighter security measures, namely ‘Specifications for Allocating Safety Production Facilities in Postal Industry’, implemented as of 1 September. In addition to the requirements on express delivery companies to connect their real-time CCTV monitoring system online to State Postal Bureau (SPB’s) office initiated two years ago, SPB made it compulsory for companies to deploy X-ray scanner in operation facilities and GPS appliance in delivery vehicles. SPB acknowledged that the industry will not be able to catch their requirements overnight, hence gave transition time up to 15 months in a road map it publicized.

Ecuador:

- Organic Law for Incentives to Production and Prevention of Fiscal Fraud adopted on 29 December 2014 and in forced since 5 January 2015 seeks to attract foreign private investment though the signature of a contract with the state which guarantees stability for 15 years extended to 15 additional years. The minimum amount of investment is US$ 250,000. Other incentives are established for those businesses working in border or depressed zones, where there it is foreseen a deduction of the 100% additional in the calculation of the income tax, deductions in salaries costs when a new job is created in these zones per five years.

- In July 2015, the Knowledge, Creativity and Innovation Bill (Código Orgánico de la Economía Social del Conocimiento y la Innovación - “COESC” or newly named – Codigo de Ingenios) included notably requirements from the public sector and the education system to use exclusively free and open software (waivers need to be requested prior justification), requirements that software developed for these institutions and sectors must have local data centers, restricted government procurements, access for the Government to information and
IPRs of service providers in "strategic" sectors, etc. The bill passed the first debate in the Specialised Permanent Commission of the Ecuador General Assembly. But it was decided to socialize first the draft of the law nationwide before voting on it. The approval of the law is in the 2016 National Assembly agenda.

A new project to attract national and foreign investment to priority public projects, facilitate public –private alliance, and promote competitive external financing will shortly be presented to the National Assembly for its approval. The objective is that private businesses execute public projects, administrate them and receive a compensation to recover their investment. The private sector will work under the same terms as public businesses: 0 tariffs, anticipated devolutions of the 12% VAT and other incentives. The priority areas for public-private investment alliance are hydro-electrics, vial infrastructure, ports, airports and social housing projects.

On 15 December, the National Assembly approved the Incentive Law for Public and Private Association and Foreign Investment —APP— which seeks to generate a major number of projects executed under the modality of associations between public and private sectors. Other purposes of the law is to grant more incentives (exemptions to the Income Tax, to the currency tax outflow, and tributes to foreign trade and other benefits foreseen in the Taxation regime). This law also seeks to discourage the concentration of property regarding rural lands. An interinstitutional committee conformed only by state representatives will coordinate and regulate these associations. The state expects to attract under this modality USD 576m from investment in port infrastructure, roads and social housing projects.

- **Exemption of Foreign Currency outflow tax fee (ISD):** Financial entities that grant loans by paying credit lines or deposits to international entities will be exempted of the 5% foreign currency outflow tax (ISD). This benefit will be extended to businesses seeking international financing for governmental projects via the public-private alliance that the Government is re-launching. These other benefits are included in the APP law.

- **Resolution 051-2015F of May 2015** enforces a compulsory retention of 95% of premiums for insurance companies. This could curtail the re-insurance market in Ecuador.

**Egypt:**

- In October 2009, Egypt announced local content requirements for foreign shipping agency activities. An equity cap of 51% for Egyptian ownership was imposed on those companies licensed to carry out shipping agency activities. Entry into force was initially postponed until October 2010. Companies received a new grace period until July 2011 and reached subsequently an agreement with the authorities to renew their licenses. The government continues to renew the licences of foreign shipping companies on an ad-hoc basis, and the 51% Egyptian ownership requirement is effectively not yet in place.

- In Egypt, the number of foreign employees in a company is limited to a maximum 10% of the total number of employees (25% for companies established in free zones). According to the Ministerial Decree 90/ 2011, a work permit for a foreigner can be granted only if an Egyptian substitute cannot be found, and for a maximum of 3 years. Companies are also obliged to employ and train Egyptian assistants for the foreign experts.

- Decree Law No 14/2012 on the Integrated Development of the Sinai Peninsula was published in January 2012, and the Executive Regulations of this Decree published in September 2012. They regulate investment, ownership and use of land in the Sinai. The law, which entered into force in March 2013, restricts land ownership in the Sinai to single-nationality Egyptians born to Egyptian parents and to corporate entities fully owned by Egyptians. Any Egyptian who...
acquires a second nationality must sell his land or property. Furthermore, the usufruct rights regime is reduced from a maximum of 99 years to 50 years. President Abdel Fattah El-Sisi issued a presidential decree on 16 August 2015 that amended a number of provisions of Decree-Law 14/2012. The law, however, still stipulates that ownership of land and real estate in the region can only be held by persons carrying exclusively the Egyptian nationality and having Egyptian parents, and by judicial persons whose capital is owned entirely by Egyptian citizens. The law only authorizes dual Egyptian nationals as well as foreigners to own buildings in the region without owning the land on which they are built and subject to approval of the Defence and Interior ministries as well as the General Intelligence Authority.

- The Importers' Registrar Law No. 121 of 1982 stipulates that companies wishing to import goods for trading purposes must be Egyptian. Foreign investors were however able to de facto practice import activities through indirect ownership of the Egyptian importing agency. This possibility was blocked in autumn 2013 due to Egypt's more restrictive interpretation of Law 121. While in spring 2014 the authorities appear to have reverted back to the previous more lenient interpretation of Law 121, no modification to the applicable law was made, which maintains the risk of further changes in implementation and of further trade disruptions.

- On 12 July 2015, Egypt's president Abdel Fattah El-Sisi issued a significant change in the law regulating the security services and money transit business in Egypt. The law in its revised format aggressively impacts the business of international security companies as it sets some severe requirements for obtaining the license from the Minister of Interior in order to carry out their business; the most important one is that only Egyptian nationals and fully Egyptian owned and managed companies may obtain the license and engage in the security services and money transit business.

India:

- Since the end of 2009, the Department of Telecoms (DoT) has taken a number of steps to increase security requirements in telecoms, which posed fundamental market access questions. On 31 May 2011, DoT issued a new license Amendment superseding all prior telecom security-related policies dating back to December 2009. The Amendment reflects some positive developments, including removing (i) the source code escrow and (ii) the transfer of technology requirements, and (iii) the mandatory contractual terms stipulated by the 2010 template agreement. However, the proposed changes raised some new policy issues, including a requirement for mandatory security testing in an Indian laboratory by April 2013: inspection of hardware, software, design, development, and manufacturing facilities as well as supply chains; employment of only resident, trained Indian nationals as executives responsible for certain security cases; and the potential for companies to be “blacklisted” from the Indian market, should they fail to comply with certain laws and regulations. Accordingly, a lasting solution that addresses all concerns is yet to be achieved. The implementation of the measure was postponed several times, most recently until 1 April 2016.

- Many of the tax provisions included in the Indian Finance Bill 2012 raise serious concerns as they aim at imposing fiscal liabilities on established companies with retroactive effect extending back for as much as half a century, while the Finance Bill also seems to reverse judgments issued in favour of foreign investors by Indian courts or to impact on many currently on-going cases and audits in relevant matters. In October 2014, nevertheless, the High Court of Mumbai ruled in favour of Vodafone India Services in a transfer pricing case (the issuance of shares to the mother company as a means of infusing fresh capital was seen as income by India's tax authorities). In November 2014, the same High Court ruled in favour of Royal Dutch Shell PLC after Indian authorities sought to recover tax money paid to transfer shares of the oil producer's Indian arm to its parent. Notwithstanding those judgements, the government has not taken any legislative
measure to clarify the situation and many EU companies are still embroiled in tax disputes with authorities.

- In October 2015, IRDAI’s (Registration and Operations of Branch offices of Foreign Reinsurers other than Lloyd’s) submitted Draft Regulation 28(9) (adopted in February 2016), which introduces new market access barriers for foreign reinsurance companies by granting the domestic state-sponsored reinsurer a right of preference – foreign companies are allowed only in case of first refusal by domestic companies.

Indonesia:

- Indonesia set up an 80% limit on foreign direct investment in the fisheries sector, according to the Decree 5/2008 of the Ministry of Fisheries.

- Indonesia introduced implementing regulations to the Law on Shipping (17/2008, of 7 May 2008) that limit the right to cabotage to Indonesian vessels only. As of 1 January 2011 only Indonesian vessels have the right to transport passengers and cargo within the country. Government Regulation No. 22 of 2011 was adopted in April 2011 to amend Government Regulation No. 20 of 2010 on Water Transport so as to exempt upstream oil and gas vessels from the cabotage rule of Law No. 17 of 2008 on Shipping (reduction in scope for Law No. 17). Cabotage for off-shore construction is regulated under Transportation Minister Nr. 48/2011, and revised (in stricter provisions) under Reg. 10/2014. A regulation covering areas beyond cabotage is under discussion, with a proposal restricting export operations of Indonesian products to only Indonesian vessels.

- As a part of the implementation of Law No. 20/2008 on SMEs, the minimum net asset requirement for foreign investment companies (PMA) has been increased to IDR 10 billion (USD 1.1 Million). This follows the implementation of a circular from BKPM (Indonesian Investment Coordination Board) on minimum net asset requirement for foreign investment companies (PMA). Reg. 5/2013 of the Chairman of BKPM stipulates that foreign investment must meet the requirements of: a). total investment > IDR 10 billion ((approximately € 630,000 or US$ 870,000), b). paid-in capital ≥ IDR 2.5 billion (or approximately € 157,500 or US$ 217,500), and c). in the company’s capital, individual shareholders must own ≥ IDR 10 million worth of shares.

- Ministry of Health Decree 1010/2008 restricts the scope of imported drugs that can be registered and provided that drugs which are currently imported must be manufactured locally within 5 years. The Decree was adopted and became effective on 3 November 2008. Contrary to previous commitments to ensure that existing foreign importers (so called PBF companies) could continue to register their products, the Ministry of Health returned to its original position whereby drugs can only be imported if they fulfil the need and are not manufactured locally; furthermore imported drugs can only be registered by companies having manufacturing facilities in Indonesia. The Decree 1010/2008 stipulates the technology transfer requirements, which requires local manufacturing facilities for off-patent products. In 2011, Head of BPOM issued the Brown Book, for public protection against drugs that do not meet drug safety, quality and user guidelines. The Brown Book acts as the implementing regulation of MOH Regulation No. 1010, and has been effective since 12 October 2011. It has been concluded from the Brown Book that the regulation allows the industry more room to negotiate with the government (BPOM and the Ministry of Health) despite the issuance of requirements to localise several simple products in Indonesia. It is also concluded that the industry does not have to follow the whole manufacturing stages for every product that is marketed in Indonesia.

- In November 2008 the Ministry of Communications published a draft Decree on its website (for public consultation) which imposed a minimum 30% local content requirement on
telecom equipment acquired by local operators, as well as related services. The Ministry of Communication and Information Technology subsequently issued three decrees, which set the local content requirements: Decree 7/2009 set a local content requirement of 30-40%, and up to 50% in 5 years' time on subscriber and base stations; Decree 19/2009 requires telecom tower management company (if not a telecom operator) to be a national company (100%-Indonesian owned); Decree 41/2009 of October 2009, which provides details on the calculation of local content, which covers equipment and materials, engineering services, cost of manpower for construction and project, tools and the use of supporting services.

- A mining law adopted on 16 December 2008 requires that minerals and coal be processed before export. The Government has one year to put into place the necessary implementing regulations to give effect to the provisions of the law. The Decree on Mining Services entered into force in September 2009 (Decree 28/2009) and stipulates that mining companies need to prioritise the use of local or national (100%-Indonesian owned) mining service companies over foreign-owned ones. Implementing regulations were adopted in February – June 2010 for 1) Mineral and Coal Mining Enterprise Activities, 2) Determination of Mining Area and 3) Forest Area Utilisation Regulation. Government Regulation No. 24 of 2012 on the Amendment to Government Regulation No. 23 of 2010 on the Implementation of Coal and Mineral Mining Business Activities was issued to re-organize the process for issuing mining licenses for non-metal and rock minerals. Presidential Decree 24/2012 obliges foreign holders of mining licenses to cut their stakes to 49 percent (from 80 percent) within 10 years of starting production.

- Decree 43/2009 on circulation, selling and supervision and control of alcoholic drinks of 15 September 2009 imposes new limitations on national treatment applying to the distribution and retail services. These services can be provided only by companies owned by Indonesian nationals and resident on the territory of Indonesia.

- A new draft regulation has been prepared on the establishment of data centres for information and electronic transactions. It would provide for limitations on national treatment, since these would have to be operated by Indonesian nationals. Depending on the definition of 'public service', many multi-national companies might be affected. A Ministry of Communication Regulation, planned in 2013, might include an on-shoring obligation, which would require domestic data storage for electronic transactions, which will also affect foreign banks.

- In 2010, a new Investment Negative List was issued (Presidential Regulation 36/2010), encompassing previous sectoral limitations (above) in one new list, while stating grandfathering and hierarchy of regulations. Some sectors were opened up (for instance hospital, education) while others became more restrictive (such as specialised hospital and other health services, from 65 to 67%; some tourism services have been increased from 50 to 51%. International maritime transports for cargo and passengers as well as maritime cargo handling services allow for 60% foreign ownership for ASEAN investors, compared to 49% for non-ASEAN investors. Courier/express delivery services are subject to minority foreign ownership (49%) and additionally reflect the restrictions imposed by the Postal Law, i.e. delivery services can only be carried out up until Indonesia's gateways. Foreign ownership limits for large-scale construction services have been raised from 55 to 67%, but only for high risk projects with a value exceeding IDR 1 billion (about US$ 100,000). Operation, construction and management of telecommunication towers are completely closed to foreign investment, in line with Ministerial Regulations issued in 2008 and 2009 in a push for local content requirements in this sector. This also appears to be inconsistent with Indonesia's GATS commitments. A revised Negative List was released on 24 April 2014 through Presidential Regulation 39/2014. Certain sectors were made subject to restrictions on foreign investments, like warehousing, horticulture or e-commerce. The pharmaceutical sector was liberalized towards foreigners, from a previously 75% to 85% foreign ownership.
A revision of the current Investment Negative List is underway and is expected to be formalised during the first half of 2016.

- In April 2011, the House of Representatives passed a bill to limit the number of foreign accountants operating in the country. Under the bill, a foreign accountant would not be able to receive a business license unless there was a mutual recognition agreement (MRA) between Indonesia and the accountant’s country of origin. The bill also requires that foreign public accounting firms have five local partners for every foreign partner and that foreign public accountants be members of their national public accountant professional associations. Foreign employees must not comprise more than 10 per cent of a public accounting firm’s total employees under the bill. While the bill will tighten requirements for foreign public accountants, the rules for local accountants will be loosened. Aspiring local public accountants would no longer need an accounting degree under the bill. Applicants would only need to complete accounting courses and to pass a certification test jointly administered by several universities and the Indonesian Association of Public Accountants (IAPI).

- The Horticulture Law of October 2011 reduced the foreign equity cap from 95%/100% down to 30%. This entails serious implications not only for future investments but also for established investors as the legislation does away with the grandfathering principle. The 30% foreign ownership limitation has been adopted under Reg. 39/2014 in the negative Investment List, to be consistent with the law.

- Government Regulation 8/2011 on Multimodal Transportation requires all logistics companies and freight forwarders who perform the multimodal transport (end-to-end transport) services to re-register and obtain a new license. The regulation would also require existing logistics service providers with foreign ownership to divest, based on the interpretation of “foreign legal entities” as the current equity ownership rules as imposed by the Investment Negative List mandate minority foreign equity ownership (this has been stipulated in Presidential Reg. 39/2014). On 26 Jan 2012, Minister of Transport issued Ministry of Transport Regulation No 8/2012 as an implementing regulation to Regulation No 8/2011 on Multimodal Transportation. A registered foreign multimodal transport provider may operate in Indonesia by appointing an agent, and may only operate up to ports open for international trade, ports for crossing country borders, or international airports with air cargo service, or cargo terminals and train stations with trans-country services. Furthermore, foreign businesses cannot provide support services, such as handling customs issues.

- In 2015 the Central Bank of Indonesia was considering limiting foreign ownership in banks and introducing requirements for foreign banks to set up offices in Indonesia. Foreign ownership limits below 50% have been proposed in the media. Bank ownership is currently regulated by the Government Regulation 29/1999, which allows a person or institution, Indonesian or foreigner, to own up to 99% of a bank. Foreigners currently own 50.6% of banks assets. Any single entity trying to own at least 25% of shares already needs an approval from the central bank.

- Payments and settlements of all domestic commercial transactions and obligations should be conducted in Indonesian Rupiahs from May 2012, except for transactions related to the state budget, grants given by or to a foreign state, international commercial transactions (any payment made by or to a counterpart overseas for goods or services with an “overseas component”), bank deposits denominated in foreign currencies, and international finance transactions. Violation of this provision of the Currency Law may attract imprisonment of up to 1 year and a fine of up to IDR 200 million for both payer and payee. The Bank of Indonesia issued Regulation No. 17/PBI/3/2015 on 31 March 2015. The Regulation, which has taken effect on 1 July 2015, obliges individuals and corporations to use the Rupiah currency for cash and non-cash transactions in Indonesia. It further requires all price quotation to be in Rupiah. Exemptions are granted for running contracts, the state
budget, overseas grants, foreign exchange activities by banks, transactions of money changers and strategic infrastructure development. Any additional activities related to the export or import of goods (including activities using vessels, airplanes, or other transportation means, e.g. berthing of ships at ports, loading and unloading of containers, temporary storage containers at ports, and parking of airplanes at airport) are subject to the mandatory use of Rupiah.

- Government Regulation 14/2012 implements Law No. 30 of 2009 on Electricity, which requires the government to regulate electric power supply businesses; electric power supply business licenses and operation licenses; compensation for land use; electric power sales prices, network leases, and tariffs; electricity safety, operational feasibility certificates, Indonesian national standards, competency certificates; electric power network use; development and supervision of electric power supply businesses; and administrative sanctions.

- Regulation 18/2012 was issued 1 February 2012 (and since in force) to comply with Presidential Regulation No. 9 of 2009 on Financial Institutions. Pursuant to Article 20, foreign business entities may only own up to 85% of a Venture Capital Company (PMV) paid-in capital. Presidential Reg. 39/2014 on the Negative Investment List has incorporated this new limit.

- Trade Minister issued regulations on Franchising, i.e. Regulation 53/2012, 68/2012, and 07/2013. Provisions require franchising companies to provide that at least 80% of the sales are domestically produced goods, limit the outlets number to a maximum of 150 (restaurants 250), impose restrictions to further investment and to setting up new stores.

- Government Regulation 15/2013 implementing the provisions of Law No 38/2009 on Postal services, restricting thereby foreign ownership.

- Ministry of Trade Reg. 70/2013 replaces Reg. 53/2008, entered into force on 13 May 2014. Under Reg. 70/2013 modern stores are under an obligation to ensure 80% of the products they offer for sale are domestic products. The MoT may issue an exemption of the 80% local content obligation based on recommendation from the Communication Forum, but getting an exemption is time consuming and the bureaucratic process is slow. The 80% local content requirement is burdensome for retailers which rely on imported product lines for their operations. Ministry of Trade Regulation 56/2014, which entered into force 17 September 2014, changed the definitions of Traditional Markets to People Markets and Modern Stores to Self-Services Stores. According to Reg. 56/2014, retailers are exempted from the obligation to sell 15% own brand products and 80% domestic products if (i) the selling space is rented; (ii) the retailer sells specific products for a specific segmented market; (iii) the retailer sells products that cannot be sourced domestically. The government is working on a draft revision of Presidential Regulation No. 112/2007, which is the legal basis governing the retail sector in Indonesia. The draft includes a revision of the definition of 'modern stores'. Based on the new definition provided in the draft, all other regulations must be revised. During the revision procedure, it is very likely that the 80-20 local content rule for retailers will be amended.

- In March 2014, the Indonesian Government announced its intention to terminate all of its existing 67 Bilateral Investment Treaties (BITs), once they expire, allowing for a review of the current agreements, and to present a new 'template', reflecting recent developments. This has created significant uncertainty among foreign companies, as there will be no framework to ensure new foreign investors’ protection until a new system is put in place (although a sunset clause ensures protection of existing investments during a period of 10 or 15 years).
On 16 April 2015, the Ministry of Transport issued Regulation PM 74/2015 on Freight Forwarding Services – effective immediately, with 3 years of transition period – which significantly raised the minimum capital requirements for foreign or joint venture companies. In addition, the regulation restricts the area of operation for foreign or joint venture companies to only five major airports and four major seaports. Main issues include:

- Capital requirements for foreign companies of USD 10 million, whereof USD 2.5 million paid up capital. For domestic companies, the capital requirement is IDR 25 billion, 25% of which is paid up capital. In the previous regulation, the capital requirement for domestic company was only IDR 200 million.

- Limits the number of airports and seaports where foreign (Joint Venture) companies may operate: 5 airports (Soekarno Hatta in Jakarta, Kuala Namu in Medan, Juanda in Surabaya, Hasanuddin in Makassar, and Ngurah Rai in Denpasar) and 4 ports (Belawan in Medan, Tanjung Priok in Jakarta, Tanjung Perak in Surabaya, and Makassar)

- Licenses may be revoked if business performance is not deemed sufficient by an individual government official (no criteria stipulated)

- The port authority evaluates performance and must approve all licenses/permits, seemingly also for those operators which do not have ocean freight activities;

- Branch offices can only be opened in case there is already a sufficient goods flow to and from that area.

On 20 October 2015, the Transportation Ministry issued Regulation PM 146/2015 on Second Amendment of PM 74/2015 on Freight Forwarding Services, enacting BKPM as the sole licensing authority and stating sanction procedures for foreign and joint venture companies, as opposed to local Governor in PM 74/2015. The amendment, however, does not touch upon important issues such as on high minimum investment requirements, restriction of operation of foreign/joint venture companies, reporting requirements, and competition aspect of the regulation.

The Indonesian Financial Services Authority (OJK) issued the Reg. No. 14/POJK.05/2015 on Self Retention and Support to Domestic Reinsurance Industry, granting preference to domestic reinsurance companies. The Regulation was issued on 3 November 2015 and adopted on 10 November 2015. The stated objective of the proposed regulation is to increase the domestic insurance capability to mitigate insurance risk. The Regulation requires local insurance and reinsurance companies to grant preference to local reinsurance companies. In particular, the proposed law obliges local insurance companies to seek reinsurance with domestic reinsurers. Only if this is not possible, local insurance companies are allowed to consider reinsurance from third country reinsurers.

The Indonesian Parliament has been working on a Draft Law on Tobacco since 2014, and has produced a matrix of proposed drafts law. In addition to restrictive measures on imported tobacco in terms of usage in the production process, as well as price and excise duty set by the Government compared to domestic tobacco, the Draft Law, expected to be adopted in 2016, would also set a limitation of foreign investment in the country's tobacco industry to only 45% of ownership.
Japan:

Japan Post reform/Listing of Japan Post Holdings

- The reform of the Japanese Post in 2012 has confirmed that the door is open for Japan Post Insurance (JPI) and Japan Post Bank (JPB) to remain under the Japan Post Holding umbrella and for Japan Post Network and Japan Post service to have privileged access to the postal network. The new legislation which was adopted on 27 April 2015 and took effect on 8 May 2015, might introduce a new barrier to market access. Indeed, both Japan Post Insurance and Japan Post Bank have submitted applications for new and modified products in September 2012. On 24 January 2014 the Financial Services Agency and the Ministry of Internal Affairs and Communications approved the sales of education endowment insurance by Japan Post Insurance. Furthermore, on 27 June 2014, the Financial Services Agency and the Ministry of Internal Affairs and Communications approved the application by Japan Post Insurance to start a new business: to distribute cancer insurance as an agent of American Family Life Assurance Company of Columbus, Inc. (AFLAC).

- Japan Post Holdings announced its listing plan on 26 December 2014. It made initial public offerings for the holding company and its two 100% owned subsidiaries i.e. the JP Insurance and the JP Bank on 4 November 2015. The government, which used to own fully JP holdings, plans to sell two thirds of its stocks in several stages and use the proceeds to finance reconstruction of areas damaged by the 2011 earthquake and tsunami. JP Holdings will eventually reduce its stakes in the banking and insurance companies to 50% in several offerings. Meanwhile, JP Holdings will continue to hold the stocks of Japan Post. As a special member of the Life Insurance Association of Japan, Japan Post insurance will continue to enjoy a privileged status compared with other private insurance companies: in particular its contribution to the Life Insurance Policyholder Protection Corporation is much less than the contributions of the others. The EMS (International Express Mail Service) provided by the Japan Post is subject to the universal service obligation and is regulated differently from other postal services. Under this scheme, EMS will continue to enjoy regulatory advantages over other operators on customs clearance procedures, security rules, quarantine and postal vehicle parking regulations.

Mexico:

- Since November 2012 Mexico has legislation in force requiring all air carriers operating flights to and from Mexico to transmit Passenger Name Record (“PNR”) data. When it comes to EU-related data, airlines may only transfer such data if these transfers are regulated by EU law. In December 2014, the Mexican competent authority (SAT) published the list of sanctions to be applied on air carriers that do not transmit PNR data. The Commission asked the SAT to postpone the imposition of fines on several occasions, to which Mexico agreed temporarily (provided that the EU formally started negotiations with Mexico). Mid-December 2015, the SAT announced that the fines would no longer be suspended for EU airlines as of 1 January 2016, despite having committed not to enforce this legislation vis-à-vis EU airlines before the conclusion of the PNR agreement with the EU. The PNR agreement with Mexico cannot however be concluded by the EU before the Court of Justice has issued its opinion on the draft PNR agreement with Canada.

Nigeria:

- The law of 21 April 2010 imposes local content requirement for investment in the oil and gas industry. Nigerian companies would retain a substantial share of contracts and projects awarded in the oil and gas sector and would also obtain preferential treatment in the awarding of oil blocks, oil field licences and oil lifting licences. Minimum Nigerian content is defined,
as are the preferences for Nigerian operators. A Nigerian investor is granted a 10% advantage over a foreign bidder. The Nigerian Content Monitoring Board is set to supervise the compliance with the law. The law builds on the previous local content policy, with the aim of fostering local industry capacity building; it raises, however, questions about the feasibility and implementation. On June 2nd 2015, a bill has been passed by the National Assembly seeking to amend the Nigerian Oil and Gas Content Development Act by permitting a derogation from the local content requirements where there is inadequate capacity to meet any of the local content targets provided in the Act. The amendment bill is, however, awaiting the assent of the President.

- An announcement was made that a private bill on Local Patronage aimed at boosting consumption of "Made in Nigeria” goods and services. International manufacturers will be asked to establish part of the manufacturing process in Nigeria, as part of a company-to-company partnership. The Federal Government is also finalising a policy on "Buy Nigeria”.

- The Nigerian Energy Regulatory Commission (NERC) adopted on 24 December 2014 Regulations on National Content Development for the Power Sector 2014 which reflect the same principles of the Nigerian Oil & Gas Content Development Act 2010. According to the Regulation, all entities holding licences to carry out any regulated activity, including electricity generation and distribution, are required to give first consideration to qualified Nigerian companies for the supply of goods, works and services and in the award of contracts. They must also give first consideration for goods made in Nigeria and services provided by Nigerian firms. NERC will be able to grant waivers where capacity is not available. Provisions on mandatory transfer of technology to Nigerian entities and deployment of equipment in Nigeria, as well as insurance, financial services and legal services are also included. The Regulations provide that NERC may establish such penalties as it deems fit to ensure the effective discharge of duties and compliance with the Regulations.

Russia:

- In April 2008, the Russian Duma approved The Strategic Sectors Law (SSL "Law on Foreign Investment in Companies with Strategic Significance for National Security and Defense") and Federal Law No. 57-FZ amending certain other Russian laws to give effect to the Strategic Sectors Law (the "Amendments Law"). It imposes limitations on foreign investment in Russia in a wide number of sectors deemed of strategic importance to Russia, such as telecoms, aviation, electronics (TV), broadcasting and printed media, as well as extraction of mineral resources from the ‘federally important’ fields. The Law brings certain advantages in terms of greater clarity of procedures, but complicates the process for foreigners to invest in Russia. Although the procedure of granting permissions has been accelerated, the law remains too restrictive by providing too wide a definition of strategic sectors. Furthermore, a 50% participation limit was imposed on foreign participation in strategic business entities (a 10% limit in the extraction sector, and tougher restrictions for businesses controlled by foreign governments and international organisation). A special committee led by PM Putin approves all deals exceeding the limits. For instance in 2009, the Government Commission for foreign investment in strategic sectors considered 39 applications, 20 of which were approved, 2 rejected and 17 referred for further consideration.

- The Strategic Sectors Law (SSL, No 57-FZ of 29.04.2008) was approved and entered into force together with the Federal Law No 58-FZ, which amended a number of the Federal Laws to bring them in conformity with the SSL. The most important law among them was the Subsoil Law (No 2395-1 of 21.02.1992), which regulates the most important sector of the Russian economy – the extraction of natural resources. The Amendments imposed even tougher restrictions on foreign access to this sector as compared to other sectors of the Russian economy. The notion of the 'subsoil plot of federal importance' was introduced (e.g. oil fields
with more than 70m tonnes of oil each, gas deposits of more than 50bn cubic meters of gas, gold deposits of 50 tonnes of gold each, all deposits of diamonds, uranium, nickel, cobalt, tantalum, platinum, beryllium and niobium). A complete ban was imposed on foreign access to the Federal fund of reserve subsoil plots, and mineral resources of the Russian continental shelf (only Rosneft and Gazprom are now permitted to develop them).

- A significant decline in inflow of foreign investment in 2010-2011 started to hamper the implementation of the Government's economic plans. Prime Minister Putin-led Government Commission for foreign investment therefore stressed in December 2010 a need to liberalise the SSL. Federal Law No 322–FZ of 16 November 2011 indeed slightly liberalized the SSL. The threshold of shareholding by foreign investors in strategic business entities, which requires Government approval, was raised from 10% to 25%, and the use of cryptographic means by commercial banks, and equipment with radioactive sources (e.g. medical X-ray machines), were removed from the strategic list. Companies controlled by Russian citizens, who are Russia's tax residents, were withdrawn from the SSL's scope. Russia's accession to the WTO should in principle also improve conditions for foreign investors in various sectors of the Russian economy. In the telecom sector, the foreign equity limitation (49%) should be eliminated four years after accession. Russia also agreed to apply the terms of the WTO’s Basic Telecommunications Agreement. Foreign insurance companies would be allowed to establish branches nine years after Russia's accession. Foreign banks would be allowed to establish subsidiaries. There would be no cap on foreign equity in individual banking institutions. While the overall foreign capital participation in the Russian banking system would be limited to 50%, this limit should not include foreign capital invested in potentially privatized banks. Russia would also allow 100% foreign-owned companies to engage in wholesale, retail and franchise sectors. (In February 2013, the Russian Government approved and submitted to the Duma a bill amending the Federal Law on SMEs giving foreign investors the right to establish SMEs in Russia without any restrictions on their share in statute capital.)

- However, on 24 December 2010, the Ministry of Economic Development, the Ministry of Industry and Trade and the Ministry of Finance issued a Joint Order No.678/1289/184H, which tightens the rules for automobile producers, including foreign ones, who wish to make use of the duty-free import of components into Russia. The new conditions require that the volume of production must amount to at least 300,000 autos a year (up from 25,000); at least 30 per cent of engines must be produced in Russia; and local content of auto components production must amount to 60 per cent by 2020. These conditions apply to contracts that were concluded several years ago and are still in force, but will expire by 1 July 2016 in accordance with Russia's WTO commitments (see paragraph 1090 of the working party report). They correspond to a large-scale programme of localization of foreign production, with the aim to stimulate foreign companies to share their technologies and knowhow with local producers in order to transform their assembly facilities in Russia into a full-scale production. Conditions to import parts and components for car assembly are established in foreign car manufacturing firms' individual agreements with the Ministry of Economic Development. Remaining preferential, they aim at promoting locally manufactured final products.

- The Federal Law "On the bases of state regulation of retail trade in the Russian Federation" (No. 381 – FZ of 28 December 2009), which entered into force on 1 February 2010, places as one of its primary goals the support of Russian producers and retailers in their relations with big retail chains. Although the Law does not explicitly distinguish between Russian and foreign retailers, it has a certain 'anti-Western' orientation taking into account the large size of Western retail chains which have improved their positions in Russia. The Law imposes a domination threshold on retail chain operations in Moscow, St. Petersburg and other territorial entities (25%) while forbidding those exceeding the limit to expand their business. Retail chains were also deprived of their privilege to collect bonuses from local suppliers (which is quite common practice in other countries). The Law also gives the Government the right under certain conditions to regulate retail prices for essential foodstuffs.
• In March 2014, the Ministry of Industry and Trade issued rules (by Ministry's Order No.1727 of 28 October 2013) which forbid Joint Stock Companies and their subsidiaries to take a series of decisions without prior permission of the Ministry. This applies in particular when foreign countries’ bodies, foreign state's alliances or international organizations require them to provide information on their activities, including in connection with the issuing, circulation or acquisition of securities; when they wish to amend their agreements with foreign counterparts, alienate shares in foreign firms, etc.

• The Federal Law 106-FZ of 5 May 2014, which entered into force on 1 January 2015, amends Federal Law No.160-FZ "On foreign investments in the Russian Federation", modifying the rules on creation of branches and opening of representative offices by foreign legal entities in Russia, and their accreditation. While the law partially streamlines and speeds-up establishment procedures, it also raises additional concerns of bureaucratic nature, e.g. the need to renew accreditation for those branches and representation offices that do not comply with the new rules.

• On 25 June 2014, the Duma Committee on information policy approved a draft law (Law 242 FZ) "on clarifying the processing of personal data in information and telecommunications networks". The law obliges all internet companies to store data about their Russian users only on servers located in the Russian territory, which can greatly impede foreign companies' operations. The law took effect on 1 September 2015.

• On 14 October 2014, Russia adopted a law limiting the share of foreign ownership in Russian mass media outlets to 20% and aiming at removing control over editorial policy from commercial ownership (law No305-FZ). The law will enter into force on 1 January 2016. Current media owners will have until 1 February 2017 to bring their holdings into compliance.

Saudi Arabia:

• Saudi Arabia has intensified its efforts to increase the level of employment of Saudi nationals in the private sector. A new step in this long-term "Saudization" project, the so-called "Nitaqat programme", was introduced on 10 September 2011, with enforcement starting on 26 November 2011. The Nitaqat programme foresees fixed quota of Saudi nationals in all companies with more than 9 employees. The quotas vary from sector to sector. In function of their level of compliance with the quotas companies are categorised as "red", "yellow", "green" or "excellent". Companies in the "red" category are excluded from public procurement contracts. Companies in the "red" and "yellow" categories are excluded from hiring (new) non-Saudi employees.

• Additionally since 15 November 2012, upon regulation issued by the Saudi Arabian Ministry of Labour, all private sector firms that employ more foreigners than Saudis nationals are liable to pay a fine of 2400 Saudi Riyals (€500) per annum, for every extra foreigner employed. The following aliens are not considered foreigners under this regulation: citizens of other GCC member states, children of Saudi mothers, domestic workers. This measure is part of the same Nitaqat" programme.

• Obtaining business visa for Saudi Arabia remains a major blocking issue to do business in the country. KSA requested visa facilitation agreement with the EU (August 2015), which might improve access to business visa for EU citizens in future. In November 2014, the Saudi government announced the plan to issue iqamas for businessmen (residence ID) for 5 years instead of currently one. This would give businessmen greater security and relieve of the administrative burden of renewal every year. However, this has not been implemented by end 2015.
South Africa:

- After the termination of most BITs, notably with EU countries, on 1 November 2013, the Government released for public comment the Draft "Promotion and Protection of Investment Bill" which the government had been working on since April 2010 (Gazette 36995). Following a long legislative process the Cabinet approved on 25 July 2015 the introduction of a revised Bill in Parliament. On 9 November 2015 the Bill, now called the "Protection of Investment Bill" was approved by the National Assembly. It has been sent to the National Council of Provinces where it will be processed before being sent to the president for his final approval.

The Investment Bill attempts to provide a uniform framework for foreign and local investment and replace the bilateral investment treaties that South Africa has decided to terminate. It should be noted that BITs with China, Cuba, South Korea and other countries have not yet been terminated. The Investment Bill has generated intense controversy, particularly with regards to the standard of protection of foreign investments in South Africa and the uncertainty it creates for long term investments. Among others controversial elements, the Bill lacks a standard "fair and equitable treatment" clause, capable of covering situations of indirect expropriation, and on arbitration, only state-to-state arbitration is foreseen. As well, it includes a wide-ranging list of provisions ensuring the widest discretion in respect of the State's right to regulate.

South Korea:

- The Act on the Promotion of Collaborative Cooperation between Large Enterprises and Small-Medium Enterprises (LESMEA effective from 1 December 2010) stipulates that even the franchises of super supermarkets (SSMs affiliated with large retailers) where over 51% of total investments is invested by large enterprises shall be equally subject to the Business Adjustment System application, as provided for under the LESMEA, under which the concerned new stores could be open based on the consent of neighboring small merchants and the economic needs test.

- In June 2011, the National Assembly adopted a law further restricting access of large retailers (so-called "SSMs", or super-super markets affiliated with large enterprises) to retail services, as part of efforts to protect smaller businesses, family-run stores and traditional markets. The amendments to the Distribution Industry Development Act excludes SSM and hypermarkets from operating within 1000 meter from traditional market zones. The validity of this measure was also extended from 3 to 5 years.

- In January 2013, the Distribution Industry Development Act (DIDA) was revised (revised on 23 January 2013; and effective as of 24 April 2013) again in a manner to further reinforce local governments' legal and administrative authority, as regards drafting and implementing of rules intended to restrict new opening and the operation of SSMs (termed as "large-sized store equivalents" referring to the stores affiliated with large retailers, including franchises) and hypermarkets. Under the revised Act, large retailers are now required to submit to the Head of local governments the so-called "Commercial Impact Assessment Report" and the "Regional Collaboration Plans". These mandatory requirements shall be applied to the opening of hyper-stores (termed as "large-sized stores" with the total space of larger than 3000 square meters), and SSMs if the concerned stores are opened within 1 km of the traditional market. In cases where any modifications are to be made to what has been already registered, the same rules shall be applied. The whole Act became effective as of April 24 2013, but this particular requirement will enter into force from 24 July 2013. On 16 May 2013, the Ministry of Trade, Industry and Energy (MoTIE) announced that it had outsourced research in April 2013 on the implementation of the aforementioned Commercial Impact Assessment Report and the
Regional Collaboration Plans. Accordingly, the detailed elements on these requirements were set out under the Enforcement Decree and the Enforcement Regulation of the DIDA through the revision in July 2013. Notably, the Commercial Impact Assessment Report is required to contain: the outline of the concerned business; the scope of the envisaged commercial impacts; demographic analysis (incl. the number of residents and households, population ages and incomes, status of floating population); analysis of the status concerning existing businesses (incl. large-retailers, traditional markets and stores); analytical descriptions of the concerned commercial area (incl. type of residence within the commercial area; transportation facilities, attraction facilities, status of retailers); descriptions of the impact on the concerned commercial area. Under same legislation, the Regional Collaboration Plans are referred to as "the plans to be submitted for the purpose of activating the regional commerce and businesses or reinforcing win-win collaboration with traditional markets and small and medium-sized business operators."

- In 2015, the government of South Korea has prepared a reform of Legal services containing several conditions that may delay the creation of joint ventures and dissuade foreign law firms from establishing joint ventures in South Korea, including by requiring that foreign firms may form joint ventures only with South Korean entities in existence for three years. The reform passed by the National Assembly as amendments to the Foreign Legal Consultant Act on 4 February 2016.

- The Customs Service of South Korea had proposed to eliminate on-site customs inspections through a common terminal for express carriers. While the proposed terminal, which will be fully operational by the 3Q of 2016, was initially intended to consolidate customs inspections of shipments by express operators who did not have a permanent facility at Incheon Airport, this was extended, in 2014, to cover all express operators. However, it now appears that the Customs Service does no longer intend to provide this one-stop service to express operators who have already invested in permanent facilities at Incheon Airport.

Switzerland:

- Since 15 July 2013, following a modification of the Swiss Decree on posted workers, the pre-notification of employment form requires, as compulsory information, a statement about the salary paid to posted workers. Businesses should then notify in advance the adapted salary amounts during the posting. This requirement makes it more difficult to introduce the pre-notification and to comply with the "8-days rule".

- On 1 July 2015 the Swiss government submitted a proposal on the revision of the Posted Workers Act to the Swiss Parliament. The government proposed to increase the upper limit of the administrative penalties for infringement of the minimal wage and work conditions from 5 000 to 30 000 Swiss francs. The Swiss Parliament will discuss the government's proposal during the first half of 2016.

Taiwan:

- Taiwan’s Cable Radio and Television Act, Article 19, limits foreign investment in any company operating a cable radio and/or television system. Indirect foreign investment is limited to less than 60 percent of total shares and foreign direct investment is limited to 20 percent.

- The current Taiwan income tax rules ignore the practice of multinational corporations (MNCs) to employ shared service centres on a regional or global basis to provide services. Only art.70 of Audit Assessment Guideline for Corporate Income Tax provides limited guidelines for the recognition of intra-group shared service fees for tax deduction purposes. The lack of concrete
guidelines results in practical difficulties for subsidiaries of MNCs in Taiwan to deduct the shared service fees allocated to them. This adds an extra tax burden for the MNCs.

Thailand:

- In the past few years, Thailand attempted to add new criteria to qualify companies as foreign referring not only to "equity ownership limitation" but also to the "majority of voting rights and management controls". These amendments did not pass, but there are some concerns that the government could revisit the issue and try to use the backdoor of sector-specific legislation to introduce the new criteria. There is a continuous worrying trend of using sectorial legislation as a framework to impose foreign dominance restrictions by means of both ownership as well as management structure controls. In August 2014, a renewed attempt was made to introduce an amendment to the Foreign Business Act (FBA) by the Department of Business Development under the Ministry of Commerce (MOC). Like in 2007, the proposed amendments covered a number of measures, such as the introduction of voting right criteria into the definition of "foreign juristic person", the removal of the exemption from FBA licensing for wholesale and retail businesses with certain minimum capital and a substantial increase in penalty for breaching the Act (5 times the original fine penalty). As a result of adamant opposition from international investors in Thailand because of the potential impact on foreign investment, the proposed amendment was finally withdrawn (and is therefore not counted in the report).

- Telecommunication: In June 2011, the National Telecommunication Commission (NTC) announced the reintroduction (previous attempt August 2010) of a draft notification that would introduce foreign dominance criteria in the telecom sector by taking into account such elements as shareholding, management control and supply relationship. The notification was published in the Royal Gazette on 30 August 2011 and entered into force on 31 August 2011.

- Digital Economy: In January 2015, the government submitted 10 legal proposals outlining amendments to some existing laws and presenting a new set of laws to be enacted as the first move towards the "digital economy". While the proposals aim to unlock economic growth for Thailand, they also raise public concern on the following points:
  
  - Increasing government authority and lack of independence of regulator: Given the new structures and roles of digital economy-related agencies and specialised committees to be established, the government will have higher authority to take much more direct control of the country's digital strategy and of the funds raised from telecoms fees and auctions. Particularly, the National Broadcasting and Telecommunications Commission (NBTC) will cease operating as a fully independent regulator under the Frequency Act, the Act on Organisation to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010° dated 17 December 2010. Instead, it will have to follow policies from the new Digital Economy Policy Committee, which will be responsible for setting guidelines and policy under the digital economy framework. This new committee will be chaired by the Prime Minister while the Deputy Prime Minister will supervise economic affairs as vice chairman. While the NBTC would still be responsible for allocating spectrum and overseeing issues around competition in the telecoms and broadcasting sectors, it remains unclear whether such functioning would be directed by policies of the new Digital Economy Policy Committee. This could raise questions about the compatibility with Thailand’s GATS commitments on the separation of regulatory activities and operators.
  
  - Protection of personal data: While some proposals aim at protecting personal information, preventing computer crime and tackling cybersecurity, the National Cybersecurity Committee to be established under the new Cybersecurity Act and headed by the Digital Economy and Society Minister, will have a broad authority in ordering
public and private entities to comply with its cybersecurity policy or action plan or taking any action necessary for the protection of cybersecurity. Competent officials of the Office of the National Cybersecurity Committee (a new state legal entity with a status of neither government agency nor state-owned enterprise to be established to serve the functioning of the National Cybersecurity Committee) are also equipped with the power to require telecoms operators to hand over a range of digital information without a court’s order. While this power is subject to safeguards and the Act in general prohibits the disclosure of information received in connection with the exercise of this power, the Cybersecurity Act provides exceptions for the disclosure of information on broad grounds e.g. for the benefit of legal actions against the offender under this Act or for the benefit of legal actions against the competent official on the ground of wrongful exercise of his power or the act done in accordance with the court’s order. This power raises public’s doubt on the legal responsibility of the competent officers in case of misconduct, particularly when the Office of the National Cybersecurity Committee is neither a government agency nor a state-owned enterprise.

- Insurance Acts: The Life and Non-Life Insurance Acts originally capped foreign ownership through shares (no voting restriction) at 25% and also limited foreign management control in the forms of the number of directors at 25%. In 2008, the Acts were amended to further restrict foreign participation in insurance companies by changing the foreign ownership condition that 75% of shares belong to Thai nationals and that these shares must also carry no less than 75% voting rights. The limitation on the number of foreign directors remained unchanged. However, the said criteria could be relaxed subject to the discretion of the authorities e.g. 25% - 49% foreign shares with voting rights and directors allowed by the approval of the Office of Insurance Commission (OIC) or higher than 49% foreign shares with voting rights and directors for certain period allowed by the Finance Minister upon the recommendation of the OIC in case of ‘financial distress of an insurance company’ that would adversely affect insurers and/or policy holders. In 2015, the foreign ownership limitations in the Acts were relaxed further by the introduction of the concept of 'strengthening insurance industry', allowing more than 49% of foreign participation (both voting rights and director management) on a case-by-case basis and allowing foreign take-over, but only in case of financial distress of a Thai insurance company. While the Acts were made less restrictive on foreign control, it is important to note that the relaxation of foreign control criteria are granted only upon the authorities’ discretion (OIC up to 49%, Ministry of Finance beyond 49%) and the horizontal 25% foreign control criteria still remains in place.

- Similarly, a new draft law on logistics services business intends to apply both ownership as well as management structure restrictions in its application eligibility criteria. Such conditions include criteria requiring at least 70% of shares in the companies be owned by locals, and management structure criteria requiring that 70% of the directors must be Thai nationals in order to be eligible for the privilege benefits.

- Thailand's Board of Investment (BOI) has long provided a number of incentives (tax holiday, import duty reduction/exemption, permission to own land and facilitation on visa and work permits for expats, etc.) to promote investment in Thailand. The level of concessions could vary depending on zoning of the investment (disadvantaged or developed areas) and economic activities. For a number of promoted investment projects these incentives are granted only when the goods manufactured are exported.

United States:

- Foreign ownership of US airlines: the US Code 40102 establishes that 75% of the voting rights in a US carrier must be owned by persons who are citizens of the United States. This matter is discussed yearly between the EU and US in the context of the EU-US joint Committee created by the EU-US Air Transport Agreement, which refers to further
investment opportunities as one of the objectives for second stage negotiations. No progress has been made. The foreign equity limitation has also been discussed since 2013 in the context of the Transatlantic Trade and Investment Partnership (TTIP) negotiations.

- CFIUS: Committee on Foreign Investment (CFIUS) is the US foreign investment screening used to monitor acquisitions by foreign governments. While CFIUS is used in transactions involving sensitive sectors, the lack of transparency prevents verification that the process is not politicized or investments are prevented on protectionist grounds, or that EU companies are pressured to withdraw acquisition plans or undertake costly mitigation measures – on the rare occasions that the Committee refuses to clear an investment, the parties generally choose to abandon the transaction. The US Government does not share information on specific transactions. The last annual CFIUS report to Congress for 2012 (published in February 2015 and covering calendar year 2013) showed 25% of the companies involved in CFIUS transactions were from the EU in 2013, versus 37% in 2012 and 54% in 2011). In 2013 nearly a quarter of the filings were involving Chinese buyers.

Vietnam:

- On 1 August 2011, a decree No. 46 on employment and administration of foreign employees entered into force. It conditions extension of work permits for foreign workers with employment of local labour force.

- Vietnam is considering enacting a new Decree on Information Technology Services. The draft decree has been proposed by the Ministry of Information and Communication and was, by 1 August 2014, under the consideration of the Prime Minister Office. This draft legislation would limit foreign suppliers of IT services by the following requirements: (i) IT service providers serving State bodies must be Vietnamese organisations; (ii) IT service providers serving State bodies must store the data in servers located in Vietnam; and (iii) requirements such as certificates and licenses are imposed on the delivery of cross-border IT services.

III.3 Other behind-the-Border Measures

Algeria:

- The law “Loi de finances complémentaire 2009” of 26 July 2009 (slightly relaxed by the loi de finances complémentaire 2010) introduced the following restrictions: a domiciliation tax on all bank transactions related to import activities. The law equally forbids all types of consumption credits; only credits for the purpose of purchasing real estate by individuals are allowed. The law also doubles the tax on new cars with significant engine capacity (depending on the engine type) and imposes a 0.5% tax on the turnover of mobile phone operators in Algeria (foreign investors principally).

- In the framework of the Financial Law of 2014, Algeria introduced a discriminatory registration tax on new vehicles, levied exclusively on imported vehicles to the exception of those manufactured locally; the law entails a new requirement for car dealers to carry out an activity of industrial or semi-industrial nature on top of the dealership (subject to a period of grace of three years) as well as fiscal advantages for locally manufactured goods or for local producers.

- Measure related to services (access to ports): it is no longer possible since 1 October 2009 to use the port of Algiers for non-container shipments, including cars. As a result, all non-container sea freight going to Algeria must undergo customs clearance and be picked up and removed in other Algerian ports, which adds delays and costs to the import procedures.
- Circular no. 31 of the Directorate General for Customs of 5 January 2010 imposed a requirement to close disbursement accounts (or "comptes d'escales" regarding clearance of agency fees on entry/exit port costs of a vessel) within 90 days, which restricts the clearance of fees related to maritime transport and hence restricts possibilities to import goods through maritime transport means. **Decree 14-365 of 15 December 2014, amending the contested system, was adopted by the Government on December 2014 and may result in the elimination of the restriction. However, nothing has been done since the adoption of the decree to put in place the necessary administrative structure in each Algerian port mandated to deal with the rapid clearance of these accounts.**

- The Ministry of Health for 2012 introduced a set of new technical conditions for the importation of pharmaceuticals. Importers' volumes were moreover restricted and they had to provide a monthly update of stocks in the country.

- New measures on car dealership and mandatory safety standards for imported vehicles were introduced between February and July 2015 (Executive decree n° 15-54 of 7 February 2015, ministerial decision of 23 March 2015, ministerial decision of 12 May 2015, and ministerial decision of 23 July 2015). These measures confirm the requirement already contained in the Financial Law 2014, that car dealers carry out an activity of industrial or semi-industrial nature on top of the dealership (subject to a period of grace of three years). The measures also introduce new regulations requiring additional, mandatory safety equipment for all imported cars and it remains unclear whether similar requirements are applied to domestically manufactured vehicles. In addition, the immediate application of the new standards, without prior notice or any transitional arrangements, constitutes in itself a trade-restrictive measure, as EU manufacturers have been unable to market vehicles which had already been manufactured for (and in some instances shipped to) Algeria.

- During 2015, banking procedures set out in Regulation 07-01 of 3 February 2007 of the Bank of Algeria regarding standing orders allowing importers to export foreign currency have been complemented by several internal instructions by virtue of which importers are now obliged to present a series of documents attesting their financial strength, while limitations are introduced on the amounts of money that can be exported.

- The **Loi de Finances 2015** had reintroduced the consumer's credit, but its entry into force had been postponed until the adoption of implementing measures. These measures were adopted by an inter-ministerial decree of 31 December 2015. Consumer's credit will only be available for the purchase of products manufactured or assembled in Algeria, in flagrant violation of the prohibition of discrimination enshrined in the Association Agreement.

Argentina:

- On 5 March 2012, a provisional conformity assessment regime was approved implementing Resolution 453/2010 establishing mandatory certification of lead content in inks and printed products by sworn statement. This measure was amended by Resolution 685/2015 of 4 December 2015\(^\text{10}\).  

\(^{10}\) On 6 January 2016 (i.e. after the reporting period for this report) the requirement was lifted for books (HS 4901, except brochures and similar prints) through Resolution 1/2016. This will be reflected in the next report.
• On 28 May 2012, Resolution Nº13/2012 established the requirement for mining companies to create an internal department for import substitution.

• Law 26929 and implementing Decrees 2273/2013 and 2/2014 increased the internal taxes on sales of high-end cars, boats, planes and motorcycles, imposing a tax rate of 30 or 50%, depending on the vehicle's value. While the tax did initially not appear discriminatory, it affected premium cars - therefore mainly imported models. However, with the strong inflation and the corresponding price increases, more and more locally produced cars became also subject to the tax. These measures were originally effective for one year and were later extended until end June 2015 by Decree 2578/2014, which also raised the thresholds to apply the tax (an increment that mostly served to counterbalance inflation). On 3 July 2015, the Presidential decree Nº 1243/2015 introduced a clear discrimination between imported and domestic vehicles taxing domestic vehicles with lower rates - 10 or 30%, depending on the sales price – and imported cars with higher rates – 30 or 50%, on those same sales prices, until end December 2015.

• On October 31\textsuperscript{st} 2014, Argentina adopted Resolution 323/2014, which created a National Register of Laboratories for the Testing of Auto Parts and Complete Vehicles. In order to obtain a conformity certificate, applicants (manufacturers and importers) must now submit the results of tests conducted in laboratories included in the new National Register. It applies to the vehicles listed in Resolution 838/99-SICM.

• Between April and August 2015, the Argentine National Administration of Medicines, Food and Medical Technology (ANMAT) approved 5 provisions (\textit{Disposiciones} Nº 2873, 4491, 5042, 6053 and 6171/2015) updating – by increasing - the fees for authorization and certification of the products and processes under its surveillance (e.g. packaged food products, medicines, cosmetics, medical devices and its manufacturing practices). The annual adjustment of fees has been a regular practice due to inflation over the last years. However, the last adjustments introduced some fees calculated on the base of the import value (as opposed to a fix fee per lot in the past).

• On 30 September 2015, the Secretariat of Trade passed Resolution 404/2015, updating the regime of recognition of bodies and laboratories involved in the mandatory certification procedures for goods and services. It required the revalidation of all recognitions in place that would expire in 180 days and of the recognition agreements between certification bodies in the country and abroad (which expired automatically by end November 2015).

• On 1 October 2015, the Secretary of Trade and the Ministry of Health approved joint Resolution 1710/2015 and 406/2015. This joint resolution dictates that the Health Insurances in Argentina must give preference to less expensive domestically produced high-cost medicines over foreign medicines for special treatments that patients can receive a reimbursement for. The implementing rules have still to be published by the competent authority. This measure discriminates imported medicines and is not in line with WTO rules.

• The regulatory framework concerning certification of safety requirements for electrical products was updated by Resolution 508 of 22 October 2015 (and amending regulations) and will fully enter into effect after 180 days; the framework includes rules on compliance with Argentine normalisation rules; certification per mark for certain

\textsuperscript{11} On 6 January 2016 (i.e. after the reporting period for this report), the new government adopted Decree 11/2016, which modified the tax since January until June 2016, to 10% and 20%, on higher sale prices without discrimination of origin. This will be reflected in the next report.
products; customs requirements, etc. The text of the measure also appears to require that certification be conducted by Argentinian laboratories (only).

- Resolution 680/2015 of 4 December 2015 established mandatory certification of safety requirements to commercialize school articles (including stationery and office supplies).

Brazil:

- As part of Plano Brasil Maior, the Government increased the IPI (Tax on Industrial Products) by 30% for cars with less than 65% of local content components (defined as manufactured in Brazil, Mercosur or Mexico). The measure applies to car, lorries and commercial trucks. The IPI used to vary between 7 and 25%, depending on engine power and type of fuel. It is now passing to 37 to 55%. The measure entered into force on 16 September 2011, though manufacturers have two months to prove that they produce 65% or more of components in Brazil or to adjust its production chain. Moreover, they will have to invest 0.5% of their gross revenue in R&D in the country. In two months' time, if manufacturers fail to comply with the criteria set by the measure, they will have to pay retroactively the 30% increase of the IPI.

Since 4 October 2012, the automotive sector is being regulated by the INOVAR-AUTO programme, established by Articles 40-44 of Law No. 12715 of 17 September 2012, and implemented in Decree 7819 of 3 October 2012. The main elements of the scheme are:

(1) the new sectorial industrial and trade regime will be valid for four years (2013-2017) and will provide incremental reduction on the supplementary 30-percentage points to the range of tax on manufactured goods (IPI) applying to automobiles, trucks and buses, introduced in October 2011 through December 2012, for carmakers that reach investment and onshore production requirements;

(2) automobile manufacturers must meet at least three of the following four criteria to be eligible for the new industrial and trade regime: (a) investing at least 0.15% of gross revenue in research and development; (b) investing at least 0.5% of revenue in engineering; (c) having at least eight of the 12 production steps for light vehicles onshore, and 10 of the 14 production steps in the case of heavy vehicles (final assembly, stamping, welding, painting, trimming, plastic injection, engine assembly, transmission assembly, component assembly, chassis assembly, body assembly); and (d) carrying out energy-efficiency evaluations for at least 25% of vehicles. Those criteria will become stricter during every year of the plan: by 2017, manufacturers will need to invest 0.5% of revenue in R&D, and double their engineering investment to 1% of revenue; locate 10 production processes onshore for light vehicles and 12 processes for heavy vehicles and provide energy-efficiency measures for 100% of their local production;

(3) for purposes of obtaining the incremental reduction on the supplementary 30-percentage points to the IPI range, automobile manufacturers must carry the production steps established in the criteria (c) above with at least 65% of regional/local content based on production and labour value-added indexes;

(4) an stepping-up regional/local content requirement will be allowed for newcomers (45% to 65% in ten years), limited to a maximum of 50% of the nominal capacity of their planned onshore production during the period of installation of their local industrial facilities/supply chains, provided that they comply with research and development investment and fuel-efficiency criteria.

INOVAR AUTO was modified by the Decree 8.015 of 17.05.13 that has altered licencing conditions for beneficiary companies. The decree introduced the requirement of having more production stages being performed in Brazil in order to benefit from the 30% IPI reduction. The most recent amendment included in the Law 12.996 of 18 June 2014 elaborated the
traceability criteria applicable to the car parts used by the beneficiaries of the scheme. On 31 October 2014, the European Union requested formally that a WTO Panel rules on this matter.

- **REPNBL-Redes**, the Special Taxation Regime of the National Broadband Programme for the Establishment of IT Broadband Supporting Networks, established by Law No. 12715 of 17 September 2012, foresees tax benefits related to use of technology and acquisition of network equipment and components in accordance of Basic Productive Process, related to local content.

- Law No. 12715 amended the Programme for Digital Inclusion, established by Law N. 11196 of 21 November 2005. Tax benefits (PIS/PASEB and COFINS) apply on revenue from sales of certain products produced in the country, in accordance with local content requirements laid down as Basic Productive Process. The range of products was enlarged to include also smartphones. The programme was initially cancelled with effect as of 1 December 2015 by the Provisional Measure MP 690/2015 of 31 August 2015, however the Law 13.214 of 30 December 2015 converting MP 690/2015 has suspended fiscal benefits only for the year 2016.

- Law No. 12715 of 17 September 2012, Articles 16 to 23, also established REINCOMP, the Special Regime of Incentives to Computers for Educational Purposes, which grants tax benefits conditional upon respect of local content requirements established by Basic Productive Process.

- Law No. 12794 of 2 April 2013 established REIF, the Special Regime of Incentives for the Development of Infrastructure for the Fertilisers Industry. Tax benefits are conditional upon fulfilment of requirements of investment in R&D and technological innovation and of a minimum percentage of local content in relation to the overall value of the project.

- In 2012 Brazilian Inmetro agency started implementing a domestic system of technical regulations and certification and marking procedures for automotive products in Brazil which is burdensome for industry. In the past, UNECE-certified and marked products were accepted in Brazil without additional testing, marking or certification. Brazil did not express much openness to review this practice which is, according to the authorities, already well consolidated, despite that fact that Brazil’s technical requirements are often similar to EU ones.

- Social contributions PIS and COFINS increases for imported goods were officially introduced by the Provisional Measure (MP) 668/15 adopted and published on 30 January 2015. The combined PIS/COFINS rate for imports was increased generally by 2.5 percent (from 9.25 percent to 11.75 percent) with a higher increase for certain specific categories of products (pharmaceuticals, cosmetics, tyres etc.). The increased contributions apply as of 1 May 2015. Provisional Measure (MP) 668/15 was sanctioned by the Law 13.137/2015 of 19 June 2015.

**Canada:**

- The Canadian Liquor Boards are independent monopolies, controlled by their respective provincial governments. They have control over the import, distribution and sale of all alcoholic beverages in the province concerned. They are also State Trading Enterprises under GATT Art. XVII. There have been numerous complaints about lack of transparency for many of the Boards’ decisions, particularly regarding listing and delisting measures (if a product is not listed by the provincial Board, it is not allowed to be sold in the province). The Boards also use their clout as monopolies and, in the case of Ontario and Quebec, as the largest and second largest single purchasers in the world of alcoholic beverages, to negotiate extremely
onerous conditions on suppliers. Each of the Boards also use a number of methods to favour local production, including imposing an extra cost of service charge on imports, waiving mark ups on the direct sales of domestic products and products bottled locally, restricting the sale of imported products to Board outlets (whereas local alcohol in some cases can be sold directly on supermarket shelves, on farmers markets or through private outlets), waiving certain transport costs for domestic products and lower sales targets for domestic products, thereby making it easier not to be "de-listed". These discriminatory measures are particularly prevalent in the provinces of Ontario, Quebec and British Columbia in which most of Canada's alcoholic beverage industry is based.

**China:**

- **On 27 July 2011**, China issued 6 draft information security technical standards, one of which would apply to IT facilities of national government departments (information security techniques basic requirements of information security for national departments), the others applying to all facilities (e.g. testing and evaluation approaches for terminal computer systems). These standards represent a consolidation of the implementation of the Multi-Level Protection Scheme and the Office of the State Commercial Cryptography Administration (OSCCA) regulations on commercial encryption as they contain such requirements as the obligation to purchase home-grown products; the obligation to require state (national) certification a prohibition to rely on third-party certification agencies; the obligation for information technology outsourcing staff to be of Chinese nationality; the obligation to discriminate against foreign products and services by imposing specific procedures; the prohibition to set up information system data centres and business recovery centres abroad. These standards seems to be voluntary for the time being; however, in the past China followed the practice of developing mandatory technical requirements on the basis of existing voluntary standards.

- **On 1 July 2015**, the Standing Committee of China's National People's Congress passed a new National Security Law enabling the government to take "all necessary" steps to protect China's security and sovereignty. The law contains a vague and sweeping definition of national security covering inter alia the military, the economy, technology, the environment and culture. This new National Security Law is expected to negatively impact foreign businesses both in terms of market access (notably for Information and Communications Technology (ICT) vendors) and in terms of investments in China.

- **On July 2015 China released for comments a draft cybersecurity law that seeks to beef up Beijing’s ability to guard against cyber-threats and protect data on Chinese users, while also tightening controls over the Internet. The 68-article law was drafted to "safeguard cyberspace sovereignty and national security" from the threat of cyberattack, cybercrime and the spread of "harmful" information online, according to a statement by the National People’s Congress. It steps up privacy protections for users’ data to prevent it being stolen, leaked or used illegally. But it also beefs up the government's power to obtain records of the dissemination of information deemed illegal. It also grants the government the right to restrict internet access in places where public security is threatened. The law lays out special security requirements for all networks and systems in "critical industries" such as telecoms, energy, transport, finance, national defense and military matters, government administration and other sensitive fields. The government will review products or services in these areas that could affect national security.**

- **Cosmetics with new ingredients**: In June 2011, China had notified to the WTO Technical Barriers to Trade (TBT) Committee a set of guidelines on the "requirements for application and evaluation of new ingredients" (notification G/TBT/N/CHN/821) entering in force 1 July 2011. As a consequence of this measure, there is an almost complete standstill of approvals by the State Food and Drug Administration of China (SFDA) for new ingredients, as well as
cosmetic products containing new ingredients. Since 2010, only 4 new ingredients (and one product containing a new ingredient) out of a total of over 120 applications, have been approved. By comparison, during this time, several hundred new ingredients have been introduced safely outside China. This trade interruption is extremely disconcerting for a fast moving product sector that is driven by constant innovation.

- On 15 December 2014, China notified to the WTO (reference G/TBT/N/CHN/1064) a new draft regulation on labelling of Cosmetic products. Initially, the text was supposed to become applicable on July 1, 2015. The European Commission provided comments in reply to the WTO notification revolving mainly around the requirement to print new dedicated primary and secondary packaging with Chinese mentions for all cosmetics imported in China. The current practice of overstickering would be banned. China's trade partners (including the EU) questioned whether the requirement to indicate the name and address of the subcontractors on the label is necessary and useful for the consumers. China was asked to confirm that efficacy assessment and cosmetic claim verification could be conducted by any verifying organisation that is scientifically and technically competent to do so according to the criteria and guidance established by the China Food and Drug Administration (CFDA). Regarding cosmetic claim substantiation, China was asked to align with international best practices and provide general criteria and guidance rather than regulate in specific wording. CFDA informed that, in view of these comments, it has decided to postpone the entry into force of the regulation on labelling until the new Cosmetics basic Regulation (CSAR) is adopted by the State Council. During the June 2015 WTO TBT Committee, China informed the Committee that the use of stickers would be allowed, as long as all information indicated in the original language on the packaging is translated into Chinese.

- Circular of the Ministry of Finance and the State Administration of Taxation on the VAT tax exemption for home-made regional aircrafts (Cashui 2000 No 51 and Cashui 2002 No 97) – several home-made models of regional aircrafts are exempted from VAT which is paid by foreign-made regional aircrafts when sold in China. The Ministry of Finance claims it intends to withdraw the Circulars in question only in the framework of the overall revision of the Chinese fiscal system, which can take several years.

- Despite the moves taken by the Central Government to suspend legislation making the link between indigenous innovation policies across China, a local Regulation on Promoting Indigenous Innovation was published in Guangdong and came into force on 1st March 2012. It still appears to make the link. It reportedly encourages R&D support to indigenous innovation; encourages indigenous innovation results to be transformed into technical standards; and has an article that restricts the import of key technology or equipment for which China already has research and development capability.

- The General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) implemented the obligation provided for in Article 65 of the Chinese Food Safety Law regarding the obligations for exporters and their agents to require all food and agricultural exporters to register online with the AQSIQ Inspection and Quarantine Bureau. This registration requirement for exporters or agents was issued in AQSIQ Notice No. 55 (2012). The deadline for registration has been set on 1 October 2012. According to the respective provisions “… exporters or agents exporting food to China shall be registered at the national exit-entry inspection and quarantine department. Overseas food producers exporting food to China shall get registered at the national exit-entry inspection and quarantine agency. The national exit-entry inspection and quarantine department shall regularly publish the lists of exporters, agents or overseas food producers who have been recorded or registered.” The above allegedly applies to the following product groups: meat, egg and egg products, aquatic products and preserved aquatic products, traditional Chinese medicinal materials of animal and plant origin, grains and grain products, oil and oil seeds, soft drinks and drinking water,
sugar, vegetable and vegetable products, processed flavourings of plant origin, dried fruits and nuts, other plant origin food, canned foods, dairy products, bee products, alcoholic beverage, pastry biscuits and crackers, candied (preserved) fruits, cigarette, tea, processed flavourings, other processed foods, foods for special dietary uses. New requirements regarding imports of dairy products into China entered into force on 1 May 2013. They impose in particular numerous analyses on chemical and microbiological parameters and leave importers with unclear provisions.

- New rules for exporting infant formulas and dairy products to China are applicable since 1 May 2014: all companies willing to export dairy products and infant formula to China need to get officially registered with the Certification and Accreditation Administration of China CNCA i.e. the Chinese administration responsible for certification and accreditation under the authority of AQSIQ. Registration of importers by AQSIQ is also mandatory. The registration process appears burdensome, not transparent and creates uncertainty for foreign dairy products exporters. The suddenly changed import requirements lack a holistic approach with regard to implementation of food safety legislation. This is linked with inconsistent enforcement and interpretation of new requirements. Other concerns relate to differences between international standards and Chinese standards which cause unnecessary restrictions on imported products and discriminatory treatment.

- The new Food Safety Law adopted on 24 April 2015 (and which entered into force on 1 October 2015) is a key milestone in food safety management and provides welcome clarifications to the above mentioned regulations of May 2013 and May 2014, and improvements in terms of separation of risk assessment and risk management. It also establishes a severe system of administrative, civil and penal penalties with the objective to be dissuasive. On the negative side, whilst rules may appear adequate on paper, in practice they are often not fully enforced, and special attention will have to be paid to the implementation rules of the Food Safety Law, which are being drafted. Another worrying development is as regards infant formula, for which the legal requirements have been tightened. Exporting companies will have to register the "recipe" of their products; they will not be allowed to market it under several different names and original label will have to be in Chinese (no over-stickering). This is a major concern flagged by the EU industry.

- In December 2013, the China Food and Drug Administration (CFDA) issued Notice 191 whereby it requests evidence that cosmetics imported in China must be marketed in their country of origin. As a consequence of this new policy, shipments accompanied by the previously accepted standard "Free Sales Certificates" were systematically rejected. Whilst the initial impact of the measure was moderated by certain practical solutions put in place, such as a new certificate for the products that are actually sold in the EU, this does not solve the problem for products exclusively intended for the Chinese market (like e.g. skin whiteners).

- On 31 March 2014, the long-awaited Chinese Basic Regulation regulating the sector of medical devices was released, without being notified to the WTO TBT Committee. The revised Order 276 was published as Order 650 by the State Council (after 7 years of revision) with a date of entry into force of 1 June 2014. While the overall philosophy underlying Order 650 is that the authorization process will decrease and the role of post-market surveillance will increase, the law contains a number of trade-obstructing provisions. On the positive side, concerning clinical trials conducted overseas, the data provided to foreign medical device administration authorities during marketing approval can be submitted. Conversely, on the negative side, the know-how to evaluate safety and effectiveness based on clinical evaluation still need to be increased. The list/catalogue of medical devices exempted from clinical trials is too rigid. Finally, the EU requested a transition time of three years between promulgation and implementation of the measures, together with guidelines. According to the current regulations in China, certain In-Vitro Diagnostic (IVD)-products are still classified as high risk products,
which is in contradiction to international accepted standards of risk assessment. Up until now, the CFDA has not published a catalogue of IVD-products exempted from clinical trials. As IVD-products do not need to undergo clinical trials in Europe, a policy recognizing clinical trials outside China does not benefit IVD-manufacturers.

- **Medical Devices:** There is a general tendency that government authorities urge hospitals to purchase medical devices from “national” manufacturers, not including products manufactured in China by Foreign Invested Enterprises (FIE). The Chinese National Health and Family Planning Commission (NHFPC) asked the China Association of Medical Equipment (CAME) to compile a catalogue of “excellent” domestic medical equipment suppliers. The first batch catalogue was published in December 2014 and brought to the attention of all hospitals. This catalogue does not include any medical device made in China by Foreign Invested Companies. A second batch catalogue is announced for the second half of 2015. While there is no regulation from the Central Chinese Government that restricts the market access of imported medical devices or products manufactured in China by FIEs, the industry is concerned that a general atmosphere is created that strongly encourages purchase of “national” medical devices, and under this policy some regional government agencies directly restrict purchasing of “non-national” medical devices. In addition, there is evidence that Shanghai and Anhui Provincial Health authorities have issued Notices requiring that medical institutions at district level shall in principle purchase medical devices from domestic suppliers.

- A new issue arose during the June 2013 - July 2014 period regarding the interplay between patent protection and standards involving essential patents. The terms of a licence agreed under Fair, Reasonable and Non-Discriminatory (FRAND) conditions have not always been recognised by Chinese Courts. Courts are now imposing new licensing terms to foreign companies due to alleged breaches of the Chinese antimonopoly law. This is particularly sensitive when a standard, based on a patent-protected technologies, as well as FRAND commitments have been approved by a foreign standardisation body. Such approach conferred to the Chinese Courts an extraterritorial prerogative with the right to rule on FRAND terms worldwide.

- Following the reform of the drug and device approval system by China’s State Council in August, the CFDA has finally unveiled its implementation policies regarding improvements to the drug approval system, with the November 11, 2015 release of the Circular Concerning Several Policies on Drug Registration Review and Approval (CFDA Circular [2015] No. 230, the “No. 230 Circular”) and several draft implementation measures. These documents set the stage for the transformation of China’s drug approval system. It includes piloting the Market Authorisation Holder (“MAH”) system, expanding the fast track approval pathway, changing the classifications for new drugs and generic drugs, and simplifying the approval process for clinical trials. The reform is welcomed in many ways but one particular measure has attracted significant attention due to its potential impact to the European pharmaceutical industry. CFDA issued on November 6, 2015 a draft reform plan for chemical drug registration categories. CFDA’s plans for drug registration defines a "new drug" as a chemical entity that is "new to the world" (as opposed to "new to China"), creating the risk that drugs approved or marketed first outside of China may receive slower regulatory consideration. There could be implications for intellectual property protection as well as government pricing, reimbursement and tendering determinations should other Chinese agencies choose to utilise the new definition in their processes. Furthermore, defining "new drug" as a drug that is new to the world appears inconsistent with the global pharmaceutical research and development standards and derivatives from the definition applied by ICH Members, who define "new drug" as a drug that is new to that market or country’s regulatory agency.
The National People Congress Standing Committee released on 27 December 2015 the counter-terrorism law, which – besides further constricting freedom of expression and the ability of the media to operate - could have significant negative business impacts on information technology companies. In particular, telecommunications operators and internet service providers are required to provide technical interface, decryption and other technical assistance and support to help authorities in investigating or preventing terrorism, with the genuine risk that such “on-demand backdoors” jeopardise business secrets and intellectual property. Furthermore, companies must monitor, censor, and report terrorist content, which, aside from being subject to penalties if not followed, may require the implementation of costly specific technical measures and information content monitoring systems.

Ecuador:

- A resolution 019-2008 of CONCAL (Consejo de la Calidad, CONCAL) introduced a technical regulation on ceramic tiles (RTE INEN 33), yet its application was subsequently restricted on request of Consejo de Comercio Exterior e Inversiones (COMEXI, Resolucion 601 of 30 December 2010). Accordingly, Resolucion 18-2010 of CONCAL of 19 January 2011 foresees that imported tiles need to present conformity certificates as issued by bodies accredited to Ecuadorian Organismo de Acreditacion in the country of origin, or issued at destination. The certificate is valid for 90 days.

- The official registry No. 583 of the 24 November 2011 set a reform to the Reform Law on Internal Taxation and on Tax Equity in Ecuador that establishes that imports have to pay a 5% tax, instead of previous 2% on USD outflow (article 19 of the official registry). However, the exceptions contained in the previous reformed Law on Internal Taxation and on Tax Equity remain the same: external financed payments under the conditions established in the "Production Code"; Ecuadorian citizens and foreigners who leave the country with a transcription of an income tax’ basic fraction. Transfers abroad up to 1000 USD; Tax credits for imported raw materials, capital goods and inputs for production. In the Law, imports are now considered as taxable acts (Article 6, Title II).

- Resolution N. 299 of 14 June 2013 establishes a non-automatic import licence regime for various food products (meat, butter, cheese, potatoes).

- Comex Resolution 116 of 19 November 2013 reforms the Comex Resolution 450 stating the list of products subject to previous import controls and requests the submission of a Certificate of Recognition issued by the Ecuadorian authority for standardisation (INEN). This resolution annexes a list of 293 products to be under this control. Subsequently, Comex Resolution 006 of 14 January added four new products to the latter list. In parallel, new norms aiming at promoting national industry have been elaborated namely for ceramics/tiles, cosmetics, beverages.

- MIPRO Agreement 14114 of 24 January 2014 establishes the Operators Registry whereby all importers have to register their imports in the Ministry of Industry and Productivity.

Egypt:

- A decree issued on 29 May 2014 introduces ten new standard specifications on imported cars and spare parts. These standards were applied already to locally-assembled cars and allegedly aim at preventing the importation of sub-standard vehicles and spare parts, or those not conforming to international standards.

- The finance ministry increased the cigarette prices in February by EGP 0.5 to EGP 0.75 for local brands and EGP 1 to EGP 1.5 for imported goods.
In September 2015, the trade ministry has formulated tax and other incentives to support local car manufacturers conditioning the granting of fiscal advantages to the use of domestic over imported goods. They will now be analysed in the finance ministry, then go for approval to the cabinet and eventually the President. The local car manufacturers are lobbying hard in favour of issuance of the new automotive industry law, which would introduce the tax and other incentives to support them, including through the articles in the local press where billions of dollars of investments in automotive manufacturing in Egypt are being promised once the law is issued.

India:

In September 2008, the Ministry of Steel issued two 'Orders' which stipulate mandatory compliance for 17 steel products with new national standards and certification by the Bureau of Indian Standards (BIS). In February 2009, the Ministry of Steel notified that the second of the two ‘Orders’ – concerning 11 out of 17 products - would not be implemented before 12 February 2010. Out of these eleven, three items would not need any certification at all. On 24 June 2011, India adopted the Steel and Steel Products (Quality Control) Second Order 2011. Of the 11 products in the 2009 Order, India has taken 9 products in the new Order. Of the remaining two, one (IS:277) was already under mandatory certification and the other (IS:1993) had been dropped. On 12 March 2012, the Steel and Steel Products (Quality Control) Order 2012 entered into force, requiring the certification of the seven steel products which were already listed in the Steel and Steel Products quality order 2008 conform to national steel standards. On the same day, the entry into force of the Steel and Steel Products (Quality Control) Second Order was also notified to take place on 12 September 2012. On 10 September 2012, the Ministry of Steel granted, at least for certain steel products, an additional six months for compliance with the said requirements. Subsequently, the Ministry of Steel granted another derogation concerning the entry into force of mandatory certification requirements for steel products. The new deadline for implementing the requirements was set at 1 October 2013. On 13 March 2014, India slightly relaxed the scheme in that quality certificates issued by international standard-certifying bodies would be accepted for products intended for large scale projects but with no plans to further enlarge the scope of this notification to all imports. Through Ministry of Steel Order dated 1 October 2013, out of 9 products, implementation for 6 products was postponed to 1st April 2014. However, through an Order dated 31 March 2014, the Ministry of Steel further deferred the implementation for 5 (from the 9) products to 1 July 2014 and for 2 products to 1 October 2014. On 4 December 2014, India adopted an Order including 5 products to the Steel and Steel Products (Quality Control) Second Order 2012.

Furthermore, in two more Orders adopted in 2015 (Steel and Steel Products (Quality Control) Order 2015 and Steel and Steel Products (Quality Control) Second Order 2015), respectively 16 and 3 products were added. Both Orders are under the process of implementation. It is not clear when they will apply. In a recently notified Order of 26 October 2015, extension to one product, namely, Plates of thickness more than 150 mm in ultrasonic tested condition has been given till 1 April 2016. These products under IS2002 were in the original Order issued in 2012. The Orders mandate registration of certain steel products which will make imports difficult, cumbersome and economically non-viable. As per the BIS Regulation, no person shall by himself or through any other person on his behalf manufacture or store for sale, sell or distribute any steel and steel products which do not conform to the specified standards of the BIS and do not bear Standard Mark of the BIS. All manufacturers of steel and steel products need to obtain a license from the BIS and maintain it thereafter for use of the Standard.

A Quality Control Order from 2009 placed pneumatic tyres (including tubes) under mandatory certification, not reflecting the agreed UNECE standards. Applied since 13 May 2011, the new
mandated certification requirements put an extra administrative and financial burden on importers. On 1 October 2012, the Bureau of Indian Standards (BIS) clarified that radial tyres bearing the BIS mark (which is a prerequisite for the sale of radial tyres in the Indian markets) can also be sold outside India.

- As from 1 April 2013, all cosmetic products should be registered with India's Central Drugs Standard Control Organisation (CDSCO) before they can be marketed in India.

- As from 3 January 2014, registration of 15 categories of IT and consumer electronic products - including imported ones – became mandatory. This requirement was extended to another 15 products, and has in the meantime taken effect for 12 of these products (the deadline for the remaining 3 products was extended to 1 March 2016 and 1 June 2016 respectively). As a significant part of these products on the Indian market are imported, this measure has the potential to affect trade to a great extent. On 11 April 2014, BIS published the obligation for Self-Declaration to be "screen-printed/embossed/engraved on the product and printed on the product and printed on the packaging material" as of 1 July 2014, which was on 31 July 2014 postponed to 31 August 2014. At the same time, small products were exempted and the conformity statement for these products can now be given on the packaging.

- After several delays (due to the absence of a suitable testing lab), as from 1 April 2016, in-country testing and certification of telecom network elements becomes mandatory. Since a significant part of these products on the Indian market are imported, this measure can particularly affect trade.

- Since August 2013, India has changed the interpretation and enforcement of the 2011 Food Safety Standards Regulations concerning labelling and packaging adopting a zero tolerance policy for the use of stickers in packaging (and allowing them only for India-specific information), thereby triggering an initial serious disruption in the trade of foodstuffs. Exporters have since slowly adapted their packaging to the stricter interpretation of labelling rules and trade of foodstuffs have resumed though the situation remains suboptimal and the risk of future new interpretations of the existing rules remains.

**Indonesia:**

- A Draft Law on Pharmaceuticals, Medical Devices, Household Health Products and Processed Food is still under discussion in the Parliament with certain stipulations regarding import and export and is said to be limiting OTC sales of certain pharmaceuticals and obliges to use locally produced drugs under the national insurance plan. The draft law has a wide reach covering of health products and medicines as well as medical devices.

- From August - September 2008 the Indonesian Food and Drug Regulatory Agency (BPOM) started to enforce the requirement that all foodstuffs, pharmaceuticals and cosmetics must be approved and registered. BPOM seems to recognise to a certain extent the long delays in registration and has committed to reduce the time to 3 months (the legal requirement is 45 days). Lately, further positive changes have been noted in that daily quotas for the number of dossiers are no longer in place; there is an electronic queuing system and a self-assessment system, which facilitates registration. The current main bottleneck is formed by the need to receive a hard copy of the certificate and the inconsistent decision-making. These requirements are no longer applying to cosmetics: Decree 1176/2010 of September 2010 replaced the registration requirement with a notification requirement.
The Ministry of Industry introduced mandatory standards and certification for a number of iron and steel products\(^\text{12}\). The two draft decrees were notified under the WTO TBT Agreement and were adopted in 2009-2010, respectively\(^\text{13}\). For iron and steel, the requirement started to be enforced in May and July 2009. Since then there has been a proliferation of new mandatory Indonesian standards (SNIs) for products of varying degrees of risk, including primary batteries, special safety shoes, gas stoves, rubber hoses, motorbike helmets, LPG steel cylinders, urea fertilisers, wheat flour, cocoa powder, electric cables, refined crystallised sugar, water pumps, ceramic floor tiles, ceramic tableware, water tanks, totalizing water meters, vehicles rim, steel wire of pre-stressed concrete for concrete construction, steel wire rope, profile steels, electrolysis tin coated thin steel sheets, rubber seals for LPG steel cylinder valve, and black malleable cast iron threaded pipe fittings. As of December 2012 there were 113 obligatory SNIs with new SNIs among others covering steel, fertilizer, cocoa, electronics, lamps and ceramics products. This trend of developing mandatory SNIs, compliance with which is verified by means of mandatory third party conformity assessment procedures, regardless of the risk of the product, is quite worrisome. In 2014, among others, the Minister of Industry issued Regulation No. 07/2014 on a Mandatory SNI for baby garments, particularly hitting imports. The government is currently drafting an SNI for suitcases and luggage items. Finalised details have not yet emerged.

Trade Minister Decree No 43/2009, amended by Decree 54/2012 restrict the import of alcohol to only 10% of domestic demand. In addition, discriminatory excise duties make imports more expensive than local produce.

The Ministry of Maritime Affairs and Fisheries Reg.17/2010 on aquaculture quality control and safety specifies the quality and safety standards of imported fish. Importers should secure import licenses before importing fish into Indonesia.

The Ministry of Maritime Affairs and Fisheries issued a Ministerial Decree 15/2011 to revise the Ministerial Decree 17/2010, specifying the types of fishery products that can be imported, such as the amount and type of fish that could be processed by canning factories, by factories for export purposes, by the manufacturing industry and by traditional processing units. The regulation also covered fish unavailable in Indonesian waters and restricted general importers and non-processing factories, such as restaurants or hotels, from importing fish products by requiring certificates of good manufacturing practices for importers, which among other things required value to be added to imported products. The Decree 15/2011 has led to creation of a supply shortage of shrimps and mackerel where domestic production is not yet sufficient, also affecting the exports of fisheries. The Decree also bans the imports of dory fish fillets that domestic industry cannot produce.

Increased costs and delays for European tyre exports to Indonesia. Ministry of Industry / Indonesian National Standards Agency (SNI) began to require on-site inspections of tyre manufacturing plants in Europe for allowing tyre exports from these factories to Indonesia. Ministry of Industry recently indicated that it would join the international standard UN-ECE for tyres in 2011 or early 2012. This is supported by an EU-funded technical assistance project that began in October 2009 and will be continued under EU-ASEAN cooperation programmes. Ministry of Trade Regulation 40/2011 and Ministry of Industry Regulation 03/2012 require a pre-shipment inspection of tires to be imported into Indonesia by Indonesian inspectors and the implementation of national standards. It was made effective on 1 March 2012, and applicable to tires for which HS Codes are stipulated in the regulation.

\(^{12}\) Mainly hot rolled sheet, coil steel, hot rolled sheet, coil steel for gas cylinder, zinc aluminium - coated sheet and coil steel.

\(^{13}\) Notifications G/TBT/N/IDN/23 and G/TBT/N/IDN/24.
• For food products, the Food And Drug Agency BPOM issued 2 regulations in 2011: No. HK.03.1.5.12.11.09955 on registration of processed food products and No. HK.03.1.5.12.11.09956 on registration procedure of processed food products, in which the labelling obligation on processed food products is required in order to obtain registration from BPOM. To note, these two regulations refer to the previous Food Law No. 7/1996 but are still in effect. In addition, Government Regulation No. 69/1969 still applies provided that it does not contradict the new Food Law No 18/2012. Furthermore, on 18 February 2013, BPOM issued a regulation on e-registration of food and processed food products, effective on 11 March 2013. This regulation refers to the new Food Law No. 18/2012 and the previous two 2011 BPOM regulations. These regulations do not restrict the use of a sticker as a label, however the design and content of the label has to be approved by BPOM, and the labelling done before the products reach Indonesian ports.

• On 08/11/2011 Indonesia notified the WTO of the new BPOM’s regulation regarding Cosmetic Import Control (G/TBT/N/IDN/51), which was issued in 20 April 2011. The required notification of every shipment of cosmetics imports causes concern to some companies as under the new regulation all documents, e.g. invoice etc. will have to carry exactly the same product details as the product registration. In addition, article 5 point (2) of the regulation requires a Certificate of Analysis (results of the quality control done by the manufacturer) to receive the Import License. This requirement is valid for every shipment and every batch of product and generates additional costs and lead-time.

• Presidential Decree 76/2012 was adopted on 03 September 2012, with provisions on regarding the exploitation by the Government of patents on antiviral and antiretroviral medicines. This decree was issued without prior notice or consultation with the industry impacted.

• Minister of Health Regulation 30/2013 obliges producers to put health warnings on packaging of processed food.

• There are indications that halal related legislation may become more restrictive in Indonesia. The draft Law of 2014 on Halal Product Guarantee introduces mandatory halal certification for food and beverages, cosmetics, pharmaceuticals, biological products, chemical products, genetically engineered products, which are imported, distributed and traded in Indonesia customs area. It is proposed that a specific Halal Certification Body will be established under Ministry for Religious Affairs to issue Halal Certificate based on fatwa from MUI (Indonesian Ulema Council). Business actors and associations have proposed halal certification to be voluntary as cumbersome and costly mandatory requirements will harm small scale industries including food and beverages industries and related sectors.

• Law Nr. 3 on Industry dated 15 January 2014 strengthens the state’s role to control strategic industries, to defend the Indonesian market, to impose the use of domestic goods, to encourage localisation of production, to increase the use of national standards, and to initiate trade measures for industrial rescues.

• The Ministry of Trade issued Reg. No. 45/M-DAG/PER/6/2015 on the import of tyres on 25 June 2015. The Regulation introduced rules to be applied to the imports of all tyre categories on top of the existing SNI (mandatory Indonesian National Standard) import procedure, such as the LS/VO (Laporan Survey/Verification Order). The LS/VO requires a surveyor institution entrusted by SNI to check all the tyres prior to be uploaded into the container in the country of origin and issue the LS document. The consequences of this request will affect imports’ timing and costs. The Regulation also restricted the entry of imports into designated sea ports, and contained provisions on quota import limitation by which every importer should propose its import quota to the Ministry of Industry (New Director-General Industri Kimia, Tekstil dan Aneka) twice a
year. The Regulation has, however, been revoked by the Regulation No. 78/M-

- In July 2015 (expected entry into force January 2017), Indonesia enacted a Ministerial
  Decree for Local Content Requirements for Telecommunications Technology (4G)
imposed onerous local content requirements on a wide range of technology devices and
products.

- Law No 20/2014 of 26 August 2014 on Standardisation and Conformity Assessment aims
  to support the implementation of the Indonesian National Standard (SNI). Under this
law, when it is related to safety, security, health or health conservation, a Ministry may
enforce a mandatory National Standard (SNI) by a ministerial regulation or a non-
ministerial agency decree in addition to the existing international standards.

- Head of BPOM enacted the Regulation No. 12/2015 on the Oversight of Food and Drug
Imports into Indonesian Territory on 14 September 2015, featuring a “Priority SKI”,
which extends the validity of the SKI, the Import Certificate, to 6 months. SKI is
transactional and must be obtained for every import activity, and applies to food,
beverages, drugs and cosmetics. There are requirements to obtain SKI, including
Certificate of Analysis, which must state “testing parameter according to applicable
regulation”. For cosmetic products, it includes the obligation to conduct heavy metal
testing each time companies apply for SKI. Further, heavy metal testing, amounting to
IDR 5 billion or more for each test, must be done for every SKU (stock-keeping unit).
European cosmetic companies have thousands of SKUs in their product inventory of
types and variants; hence, this regulation poses a major additional overhead cost for
them.

- Labelling: Trade Minister Regulation No. 73/M-DAG/PER/9/2015 on the Requirement
to Affix Label was issued on 28 September 2015, revoking previous regulations of
Regulation No. 67/2013 and its revision No. 10/2014, regarding the obligation to put
labels in Indonesian language. Further, products with mandatory SNI should have the
label adjusted with SNI requirements. Effective since 1 October 2015, the Regulation No.
73/2015 further requires companies that produces or imports goods to be traded in
Indonesia to place the Bahasa Indonesia labels on the products. Nevertheless, the
regulation relaxes requirements on labelling, removing the requirement to obtain
SPKLBI (Certificate to Use Label in Bahasa Indonesia) as a pre-clearance import
documents and allows label to be affixed before distribution (instead of before entering
Indonesia customs area). Previously, Indonesia’s labelling requirements were
burdensome and onerous. Article 4.3 of Reg. 67/2013 stipulates that the use of stickers is
prohibited (which is accepted practice worldwide). It also requires the size of label to
be proportional to the size of goods or package and can be easily or clearly read. The
producers or importers are held responsible for goods that have been in circulation
in the domestic market before the introduction of those regulations. Concerning non-
food products, the Trade Ministry Reg. 62/2009 was enforced for new products on 1
September 2010 and in April 2011 for existing products. It requires that products be
labelled in Bahasa Indonesian with information about safety, health and environment
aspects, as well as the means of use and detail usage specification and warnings. For
imported products, the name and address of the importer are required. Goods affected
include clothes, footwear, electronic and telecommunication equipment, spare parts for
motor vehicles, construction material, lamps, photocopy machines. For some products,
such as electronics and telecom equipment, footwear, household equipment and motor
vehicle spare parts, the implementation seemed to be stricter. Also, Trade Minister Reg.
22/2010 stipulates burdensome labelling requirements for certain non-food products
requiring prior approval of labels and pre-export labelling, and there is a risk that the
Decree will be expanded in the future to cosmetics and foodstuffs. It should be noted
that, while the EU does not contest Indonesia’s right to request that the information on the label be in the Indonesian language, the obligation that this be included on a permanent label (as opposed to a sticker) attached prior to shipment to Indonesia is burdensome. In some cases, the label has to be pre-approved by Indonesian authorities.

- **Draft Law on Tobacco** is under internal preparations and discussions by the Indonesia Parliament (House of Representatives), which has so far produced a matrix of several versions, including a compiled version, of proposed drafts law. The compiled version of the Draft Law counts with restrictions of tobacco used in the production process (80% domestic and 20% imported), and much higher price and excise duty for imported tobacco products and imported tobacco (at least three times higher than the price and excise duty for tobacco products using domestic tobacco). It also sets limitation of foreign investment in the country's tobacco industry to only 45% of ownership. The Parliament will have to hold a plenary session, which it has not conducted yet, before being able to enact a consolidated new Draft Law for further negotiations and debates. *The Law is expected to be adopted in 2016.*

**Malaysia:**

- Exporting meat products to Malaysia is difficult due to serious non-tariff barriers, in the form of strict (but non-transparent) Halal requirements, a cumbersome, costly and non-transparent inspection regime (in force since January 2010; since 1 July 2011 for pork) and unclear and often contradictory information from the competent authorities. For pork meat, moreover, a quota regime was put in place on 1 July 2011 whereby import licences were granted by a "committee" on a 3-months basis and only to members of one specific importers' association, with alleged high level "connections". However, it appears that the demarches and steps taken by the EU have finally produced results. As from December 2013, the previous cut limitation applied under halal requirements is no longer in place. All parts of pork and pork products are authorised for imports. However, imports can only amount to a "quantum": import permits are granted in function of storage capacity available at importer for food safety reasons.

- Halal requirements complicate the export of meat products to Malaysia. Malaysia generally bans imports of non-halal meat which can be produced according to halal standards (beef, lamb, and poultry) on the basis that having both halal and non-halal meats could cause confusion amongst consumers. Nonetheless, haram meat such as pork remains readily available for sale in segregated portions of food stores.

Malaysian Halal standards are developed nationally and tend to be stricter than the internationally recognised Halal standards contained in the Codex Alimentarius. The first Malaysian Standard entitled ‘Halal Food: Production, Preparation, Handling and Storage – General Guide (MS 1500:2009) was developed under the Malaysian Standard Development System in December 2009. The Malaysian Standard is one of five government initiatives intended to establish Malaysia as the centre of halal food. The Standard requires meat packing facilities to be dedicated exclusively to halal production. Whilst technically voluntary, these standards are applied in a manner that makes compliance (halal certification) mandatory, and the possibility to import meat which can be produced in compliance with halal standards, such as chicken and beef, is virtually non-existent, since Malaysian importers and distributors are very unlikely to request an import licence for such products given the extremely restricted market available. Malaysia has yet to notify its halal standard to the WTO as a technical regulation, claiming that the halal standard is voluntary and therefore does not need to be notified.

14 This measure is also mentioned (and was counted) in the Section on Services and Investment.
Obtaining halal certification/ import permits involves a cumbersome, costly and non-transparent inspection regime which requires halal inspectors to visit every meat establishment applying for exports (in force since January 2010). Arbitrary, unclear and sometimes contradictory information is available from the competent authorities, the results of individual inspections may also be arbitrary. The EU has encountered difficulties in exporting halal products due to differences in how countries regulate slaughtering, handling and transportation, labeling, and certification for halal purposes.

Halal standards are produced and published by JAKIM, the Department of Islamic Development Malaysia. The concept of halal standards and certification is growing since Malaysia views the global halal market as a competitive opportunity. Halal standards thus continue to be developed and extended, from meat and meat products to various food products, including beverages, snacks, confectionery, dairy, bakery products, etc. Halal is fast becoming a new benchmark representing quality, hygiene and safety. Food products and ingredients that have halal certificates have added marketing value in Malaysia. Hence, most retailers, food service operators and food manufacturers are increasingly inclined to ask for halal certificates even for non-meat based food products and ingredients, and the government has already succeeded in expanding the scope of application of halal standards from meat to other products. A halal standard has been developed for pharmaceuticals (MS 2424:2012 Halal Pharmaceuticals - General Guidelines) in 2012, while Guidelines on Islamic Consumer Goods Part 1 and Islamic Consumer Goods Part 2 have been developed but have yet to be published.

**Mexico:**

- In 2013, Mexico put up for review the Mexican health norm for alcoholic drinks. The draft text, which covered definitions, analytical parameters and labelling rules for distilled products, was notified by Mexico under both the WTO TBT and SPS procedures in March 2013. Since then, the draft was mildly modified, which solved certain issues raised by the EU industry, but significant concerns remain to date. The biggest concern relates to the analytical parameters, as the aldehydes and furfural levels are estimated to be too low and in breach of the bilateral Spirits Agreement. However, the Ministry of Economy is not in a position to address this issue without modifying the National Health Law, from where these parameters were extracted. Another concern relates to the 55% upper alcoholic strength limit, which is also a requirement established in the National Health Law.

**Pakistan:**

- SRO (statutory rules and orders) 1125\textsuperscript{15} in place since 31 December 2011, discriminates between imported products, which are charged a sales tax of 17% and domestically manufactured products, which are charged at only 5%. The Commission has raised this with Pakistani authorities bilaterally and in the WTO trade Policy Review as contrary to WTO rules. Pakistan has indicated that the SRO will be withdrawn as part of a general commitment made to IMF to do away with the SROs regime in 2016-2017 on the grounds that the use of SROs as a policy instrument strongly reduces transparency and predictability of the trading regime and increases its complexity. On 31.12.2015, this withdrawal however remained to be confirmed.

\textsuperscript{15} http://www.fbr.gov.pk/SROsShows.aspx?ActionID=5625&
Philippines:

- The Philippines adopted Republic Act 10620 or the "Toy and Game Safety Labelling Act of 2013" on 03.09.2013, with country-specific labelling requirements on placement of safety warnings, which could be more in line with international practice. Consultations on the Implementing Rules and Regulations have taken place but are not finalized yet.

Russia:

- The Government Anti-Crisis Plan for 2009 of 10 June 2009 foresaw toughening of customs control over imports of foreign steel. Customs clearance procedures for rolled steel imports were reviewed so as to prevent undervaluation and wrongful declaration of goods. Customs points, which organize clearance of imported pipes and rolled steels, were being equipped so as to permit the conduct of radiological and phytosanitary control.

- On 20 July 2011, President Medvedev signed into law the bill amending the Federal Law on state regulation of production and turnover of ethanol and alcohol products. This law imposes more stringent conditions for beer products, but was in principle non-discriminatory.

- Russian Government's Decision No 1079 of 21.12. 2011 requires low-alcohol beverages (up to 9% strength) to be labelled with a special pink-coloured federal marks of 63x21 mm. The applicant should submit a report on its previous use of such marks and an estimate of its need for such marks (forms of these documents are approved). The Russian Government's Decree No 1230 of 30.12.2011 requires that imported low-alcohol beverages (up to 9% strength) should bear grey-yellow coloured excise marks with a blank space in order to put information about this alcoholic beverage.

- The Russian Government Decree N° 1192 of 28 December 2011 appointed the Russian Chamber of Industry and Trade and its territorial divisions as organs authorized to issue conclusions on the recognition of the product manufactured with the use of foreign goods as a CU product or not (i.e. a product from the third country). The Decree is adopted in implementation of the CU Agreement on free (special) economic zone (18 June 2010), and the CU Agreement on free warehouses and customs procedure of free warehouse (18 June 2010). Arbitrariness of the authorized bodies is quite likely.

- Russia used reference prices for the customs valuation of several agricultural products (fresh and processed fruit and vegetables, wines) contrary to the WTO norms, although the notion of 'reference prices' was excluded from Russia's legal acts. The CU Customs Code also does not contain this notion. However, its section related to customs value contains the provisions about control of customs value and its correction. Customs authorities therefore can continue to use reference prices.

- The Government Resolution N474 of 5 June 2013 on the submission of notifications about the beginning of trade in alcohol products in the Russian Federation foresees additional burdensome and duplicative procedure for the notification of alcoholic beverages commercialisation.

- A draft Technical Regulation on Alcohol Product Safety (TR) of the Belarus-Kazakhstan-Russia CU that was supported by the Consultative Council of the Eurasian Economic Commission raises concerns as regards the declaration of compliance, the notification procedure, the ban on PET, labelling and the definitions applied in the draft Regulation. It was notified to the WTO TBT Committee in December 2012. The EU and other WTO Members provided comments and raised concerns in the TBT Committee. The draft bill No 280796-6 (PET bottles) was approved in first reading on 10 June 2014. On 14 May 2015, the Duma's Council decided to defer its consideration at a later date. However, a second reading of the
Draft bill could, theoretically, take place at the end of April 2016. The current draft text bans the use of PET bottles above 0.5 litres for alcohol beverages with alcohol content above 4% as from 1 January 2016 (ban on PET bottles above 1.5 litres from 1 Jan 2015, above 1 litre from 1 July 2015). The government submitted a proposal regarding the draft bill, which envisages banning PET bottles above 1.5 litres from 1 July 2016 and a gradual reduction to 0.5 litres.

- The Technical Regulation of the CU on the Safety of Products for Children and Adolescents (TP TC 007/2011) and the Technical Regulation on the Safety of Light Industry Products (TR TS 017/2011) were adopted in 2011 (prior to Russia’s WTO accession) and contain various requirements deemed overly restrictive (e.g. mandatory third party certification for textiles and footwear, ban of synthetic materials in the lining of shoes of children and adolescents, etc.). Furthermore, their implementation has been proving difficult. The EU has been discussing these issues with Russia bilaterally and in the context of the WTO TBT Committee. In February 2013, draft amendments to the Regulation on the safety of light industrial products were notified to the TBT Committee (notification G/TBT/N/RUS/14). They still appear to contain provisions on burdensome mandatory third party conformity assessment procedures, labelling and marking. Russia indicated that, following the accession of Kyrgyzstan and Armenia to the Eurasian Economic Union, the procedure for the adoption of the regulation had to include their acceptance. According to the legislative procedures of the Eurasian Union, while there is a 60-days deadline for public consultation, there is no deadline for the Member States to discuss a draft measure. This had delayed the process and a date of adoption of the measures is not clear.

- In connection with the completion on 1 July 2014 of the transitional period before the entry into force of the CU technical regulation ‘Safety of products of light industry’, the Eurasian Economic Commission issued a clarification (EAEC Information of 20.02.2014) that this technical regulation does not prohibit the manufacture, import and turnover of knitted underwear made of synthetic fibres, but only establishes the safety requirements. However, this technical regulation sets stringent requirements regarding chemical substances of underwear and establishes a complicated conformity assessment procedure for imported goods.

- EAEC Collegium Decisions №39 of 6 March 2014 and № 44 of 18 March 2014 approved a list of products for which the customs declaration is accompanied by a document on the assessment (confirmation) of conformity to requirements of the Technical regulations of the CU "Technical regulations for oil and fat products" (TR TS 024/2011) and CU "Safety of furniture" (TR TS 025/2012) respectively.

- By Government Resolution of 3 September 2015 (with effect as of 7 March 2016) Russia extended to cement the list of products requiring certification before putting on the market. Cement certification rules are detailed in a new GOST standard (‘gosudarstvenny standart’) adopted on 11 January 2016 and applicable as of 1 February 2016. However, compared to locally produced cement, imported cement from third countries (EEU countries excluded) are subject to additional controls/tests (of each shipment imported) to verify compliance with the GOST standard.

- Russia has prepared a pilot project for allowing parallel imports (i.e. shifting from the regional exhaustion principle of trademarks to the international exhaustion principle) in the sectors of medicines, medical devices and car parts. No date has been set for the entry into force yet. Consultations with Eurasian Economic Union (EAEU) on parallel imports took place in July 2015. At present, the EAEU is drafting changes to the Treaty on the EEU of 29 May 2014, providing for exemptions from the regional principle of rights of exhaustion regarding certain goods. Liberalising parallel imports the way Russia and the EAEU consider could qualify as trade restrictive measure. Proposals on the order and on
selection criteria of goods for which these exceptions are supposed to be introduced, are also under discussion (one of the criteria under consideration is reportedly localised production). Furthermore, the Federal Antimonopoly Service (FAS) of Russia suggests a gradual transition towards the international principle of rights’ exhaustion and legalisation of parallel imports with regards to certain goods. Today, the sectors affected are those of medicines, medical devices and car parts but this could be extended to more sectors in the future, creating uncertainty for businesses and investors.

**Saudi Arabia:**

- Royal Decree M/11 of 1962 reserves the import of goods for resale in Saudi-to-Saudi individuals and wholly owned Saudi entities. Therefore, a foreign entity wishing to import into Saudi must use the services of a Saudi agent or distributor. However, Saudi companies with foreign participation with a license from the Investment Agency may import products and materials necessary to perform the activities authorized by their license.

- **In August 2015, the Saudi government has announced planned introduction of value-added taxes (VAT), in particular on luxury goods (or so called sin tax), tobacco, energy drinks and similar products, which will have immediate impact on trade and revenues.**

**South Africa:**

- On 12 April 2013, the Department of Trade and Industry informed of the labelling requirements of goods originating from East Jerusalem, Gaza or West Bank, which are wrongly labelled as originating from Israel in terms of Section 24 of the Consumer Protection Act, 2008. In the event of a producer or importer of goods into South Africa, made from material imported from (i) East Jerusalem, such goods shall be labelled "made in country X from material imported from East Jerusalem: Israeli Goods"; (ii) Gaza, such goods shall be labelled "made in country X from material imported from "Gaza: Israeli Goods"; or (iii) West Bank, such goods shall be labelled "made in country X from material imported from "West Bank: Israeli Goods". (Notice 380).

- Comments were solicited by 22 May 2013 in respect of the categories of goods that are required to have a trade description applied to them under the Consumer Protection Act, 2008. The proposed categories of goods are processed and packaged meat products and dried and packaged meat products. (Notice 238). Suppliers of these products will be required to comply with this notice and ensure that the requisite information appears in the trade description of the products as of 25 April 2014. Section 24 of the CPA requires, in addition to ingredients, quantities, name of the producer, etc., that producers and importers of these goods also ensure that the country of origin of the goods is contained in the trade description.

- On 28 November 2014, South Africa has declared compulsory specifications for energy efficiency and the labelling of electrical and electronic apparatus under the terms of the National Regulator for Compulsory Specifications Act (NRCS) 2008.

Three phases are specified for different appliances, two of which have been extended on 13 August 2015 by a period of six months due to the challenges experiencing in the implementation process (Government Gazette No. 39091, R.710):

- **Phase 1,** by 28 May 2015, compulsory specification for audio, video and related equipment would be effective

- **Phase 2,** by 26 February 2016, the compulsory specification for electric ovens, refrigerators, freezers, dishwashers, tumble dryers, washer-dryer combinations and washing machines will be effective. Products that are already in the market and
approved by the NRCS for safety requirements are to comply with these compulsory specifications by 26 May 2016.

Phase 3, by 28 November 2016, the compulsory specification for air conditioners and heat pumps would be effective.

The test report indicating that the product complies with the relevant compulsory safety standard applicable to that product must:

a. Be from a laboratory accredited by a national accreditation body affiliated to the International Laboratory Accreditation Cooperation (ILAC) and/or be an IECEE CB Scheme member.

b. Be in the IEC format or any other format acceptable to the NRCS and addresses all the clauses of the compulsory specifications including the relevant national deviations as set by South Africa.

These compulsory specifications are burdensome and costly. Moreover, standards issued by different standardization bodies such as ISO, IEC and EN, will only be accepted if it is proven, in the form of a declaration report from an accredited conformity assessment body, that they are technically equivalent to the relevant South African National Standard. The applicant shall be responsible for obtaining such a declaration report. Proof of conformity with such a standard shall be accepted as conformity with the corresponding South African National Standard.

Switzerland:

- To promote indigenous production the Swiss parliament adopted on 20 June 2013 the so called "Swissness" legislation. The law provides for an increased local content of 60% and sometimes more regarding the use of the "Swiss made" label or the Swiss flag. The relevant implementing legislation was adopted by the government on 2 September 2015. As "Made in Switzerland" is very popular on the Swiss market and allows for considerable price mark-ups at retail level it is very likely this measure will contribute to reducing inputs of other origins for further processing in Switzerland.

Taiwan:

- On 1 September 2010, Presidential Decree No. 09900224421 amended Article 2 of the Tobacco and Alcohol Tax Act, to list the rice wine as a cooking ingredient. As a result the drinkable rice wine, which is a major alcoholic drink for many low-income people, shares a lower tax rate compared with other imported distilled liquor. This creates discriminatory treatment contrary to Taiwan's WTO ascension commitment.

- The lack of standard processing times in the Act Governing Food Safety and Sanitation results in serious delays in the processing import applications for European foods, mainly fruits and meats. The applications, some over 10 years old, often experience large time lapses before receiving a response, which in turn often contains an additional request for info. These delays constitute a concrete market barrier for the export of EU meats and processed food to Taiwan.

- An announcement of the National Treasury Administration ("NTA") on 5 March 2013 introduced the obligation for importers of French cognac to provide a testing report for plasticizers, in the absence of which products will be tested on a batch-by-batch basis by NTA. The testing is, however, being slowly phased out: the latest announcement on 29 April 2015 reduced the testing rate to 20%.
Thailand:

- New import requirements under the Notification of the Ministry of Commerce (Subject: Certificate Requirement and Administrative Measure Relating to Importation of New Pneumatic Tyres of Rubber into the Kingdom of Thailand B.E. 2555(2012)) were set for automotive tyre imports as of 11 January 2013 and entered into force on the following day (12 January) with no transitional period for implementation. Besides the registration of importers, the Notification requires importers to avail themselves, in addition to existing import Custom Procedure Code, of a Certificate of Competent Authority (COCA) issued by the government of the exporting country, or by certified entities or institutions guaranteed by the government, or certified entities empowered to issue the certification of the producing country, while standards required by such regulation remain ambiguous. The regulation also obliges importers to keep new pneumatic tyres of rubbers separately from other types of products and report import and export activities, possession, sales, distribution and stock inventory of tyres to the Department of Foreign Trade (DFT) on a monthly basis.

- A mandatory conformity assessment procedure was imposed for ceramic tiles as from 15 January 2014. The Industrial Standards Institute's standard for ceramic tiles 2508 - 2555 raises concerns about the practicalities of its application, in particular the discrepancies between Thai and international standards ISO 13006:2012. In particular the requirement that the Thai Industrial Standards Institute (TISI) attaches its mark to each and every tile and differences with ISO standards in the water absorption levels cause concern.

- Concerning wine and spirits, the longstanding unequal treatment between imported and local spirits was reduced but not eliminated in 2012 when the Thai authorities increased the excise tax applied to 'white liquor' (most often locally produced) from 120THB to 150 THB and the tax on 'brown liquor' (local whiskey) from 300THB to 350THB and revised sales license fees on domestic spirits moderately. Under the Thai liquor Act, other imported spirits such as whiskey, brandy and vodka are subject to a higher tax rate of 400 THB. In September 2013, the system underwent another modification and the applied (and ceiling) rates now comprise a specific rate duty and ad valorem components (calculated as a percentage of the last wholesale price excluding VAT ("LWP")). Discrimination between 'white liquor' and 'vodka' as well as sales licensing fees has been maintained. Furthermore, the lack of definition for wine as well as weak product labelling regulations have created a loophole for domestic bottling operators allowing imports of wine in bulk to be mixed with minor content of fruit to produce fruit wines sold as "wines" with lower excise tax rates. Additionally, under the 2013 amendments, the ceiling rate of tax varies according to the type of alcoholic beverages. For fermented products (such as wine), the maximum tax of ad valorem tax is maintained at 60% but the specific rate of tax is increased sharply from 100 THB to 2,000 THB/l of 100% alcohol or 300 THB/l, whichever is higher. The amendment also retains a clear differentiation between local 'fruit wines' (i.e. wines with some addition of fruit juices) and imported 'wines' as well as between local 'white spirits' and imported 'white spirits' (imported white spirits such as vodka are classified as "other distilled spirits" subject to a higher tax than local white spirits). For spirits, a partially simplified tax structure has been introduced by combining different types of distilled spirits into two main categories, namely “white liquor” (Lao Kao) and “other distilled spirits”, thereby maintaining the existing differentiation in favour of white liquor.

- The Cabinet of the Prime Minister approved on 19 May 2015 a reform and codification of the entire excise tax system (not only on alcohol) with a view to merging separate Acts dealing with excise taxation for automotive, alcohol, perfumes and cosmetics, etc. under one umbrella and one methodology based on the concept of "suggested retail sale price" as a taxable base. The proposed reform would combine seven excise-related regulations into one new regulation (the so-called “Excise Tax Revenue Code”). The proposal will shift the existing tax base of “Last Wholesale Price” to a new tax base of "Suggested Retail Price" and increase ceiling rates for alcoholic beverages. The reform foresees the removal of
discrimination both in the sales licenses and possibly in the privileged tax treatment on fruit wines, although it is still unclear what effect it would have on the importers of EU alcoholic beverages as decisions on the level of applied rates will be taken by Ministerial Regulations later one. The reform, however, makes no attempt to remove the discrimination on the tax rates between 'white liquor' (locally produced rice fermented liquor known as Lao Khao) and 'other spirits' (imported). Currently, the proposal is under the Council of State's scrutiny. Once the process at the Council of State is completed, the proposal will be submitted to the National Legislative Assembly for deliberation. The proposal is expected to be enacted into a law at earliest after the second half of 2016.

- On 26 March 2015, the National Legislative Assembly passed a new Sports Act mandating that the Sports Fund receives annual contribution estimated at THB 2.8 billion from alcohol and tobacco exporters, importers and producers based on a rate of 2% of the excise taxes they pay to the Ministry of Finance each year. The fund is managed by the Ministry of Tourism and Sports. Additional earmarked taxes on alcohol and tobacco to fund programs to support tourism and elderly care are also being discussed at Cabinet level. A trend towards heavier use of earmarked taxes has caused concerns not only to importers of EU alcoholic beverages subject to higher taxes, aggravated by existing discrimination, but also to tax policymakers about a lack of scrutiny and accountability in the utilisation of the funds by line Ministries.

- As regards the automotive industry, a new excise tax structure was approved under the Yingluck's Administration (through Cabinet resolution) on 18 December 2012. It enters into force on 1 January 2016. The new excise tax structure is determined by engine size, carbon emission and types of fuel used. The new excise tax structure continues to favour locally manufactured eco-cars more than imported like products and the law raises concerns that the excise tax structure may not be technologically neutral e.g. a hybrid car emitting CO2 higher than 100 g/Km will be subject to a higher excise tax (20% - 50% excise tax) than an eco-car emitting CO2 higher than 100 g/km (17% excise tax). It still remains unclear how this excise structure will change as a result of the 19 May 2015 overhaul of the taxable base to 'suggested retail price'.

- As regards alcoholic beverages labelling, the Alcoholic Beverage Control Act B.E. 2551 (2008) regulates the advertising, consumption and sale of alcohol products on public health ground. The Act is enforced by the Department of Disease Control of the Ministry of Public Health. On 28 March 2014, Thailand notified the new proposal, i.e. Draft Notification of the Alcoholic Beverages Control, re: Rules, Procedure and condition for Labels of Alcoholic Beverages, to WTO members under the WTO Technical Barriers to Trade (TBT) Agreement. Thailand’s proposal raises a number of concerns including, among others, the administrative complexity in the label approval process and a lack of clarity on the scope of the proposal. The short compliance timeframe (immediately after the publication of the notification in The Royal Gazette) also appears to be an issue. Thailand submitted an additional TBT notification on 27 April 2015 (G/TBT/N/THA/437/Add.1). There is no label approval process any more (which has been clarified in the TBT framework and bilaterally by Thailand). The measure however already entered into force on 22 April 2015 with a transitional period of 6 months for compliance with the new labelling requirements (until 18 October 2015). The EU remains concerned with certain provisions of the newly adopted regulation and considers that further explanation and technical guidance is needed with respect to the implementation of the new labelling requirements. It has also asked Thailand to extend the transition period to one year, which Thailand has rejected. In recent years, the National Alcohol Policy Board has been proposing mandatory use of new graphic warnings on alcohol bottles linking the consumption of alcohol per se, rather than its misuse, with a range of health effects. Aside from the new labelling requirements, the EU is particularly concerned with the fact that Thailand is pursuing its work to implement the mandatory use of graphic warnings, despite the concerns previously raised by its trading partners.
The Drug Act of Thailand is currently being revised. These revisions may include cost-effectiveness as a required element for drug registration and mandatory disclosure of third country retail price information for innovative medicines. The revisions may also provide additional operating privileges to state-owned enterprises with respect to regulatory requirements and regulations for producing, importing and sales of pharmaceutical products.

The Thai Government is contemplating new legislation to promote breastfeeding (the draft Milk Code) by specifically banning the advertisement (instead of restricting) of nutritional products for infants and young children up to three years (instead of one year) of age. Such regulation might be deemed as going beyond relevant international standards. On 1 December 2015, the Cabinet approved the draft Milk Code and sent it to the Council of State for scrutiny, taking into account the comments from the Ministry of Commerce, the Ministry of Foreign Affairs and the Office of Public Sector Development Commission, before submitting the draft to the National Legislative Assembly for deliberation. Comments from the said relevant agencies include concern on the TBT Agreement commitments, consumer’s limited access to information (regarding nutritional products for infants and young children), the fact that all advertisement is banned as well as the question whether the Food and Drug Administration should be involved in the Milk Code.

Tunisia:

In late 2014, the Tunisian ministry of trade enacted informal measures to restrict the import of cars into the country, allegedly to prevent the further deterioration of the trade balance. Imports of cars are subject to a system of “tax privilege quota” whereby “in-quota” imports benefit from reduced consumption taxes, while imports of “out of quota” cars, although theoretically legal, are de facto impossible as cars importers would have to pay the full consumption tax and therefore the cars become prohibitively expensive. Since late 2014 the Ministry of trade, which manages the granting of such “tax privilege quotas”, has moreover put pressure on importers of cars to postpone their orders, delay payments, and overall reduce the value of cars imported. The resulting uncertainties and difficulties have somehow eased during 2015 as the “tax privilege quota” has been widened, but importers demand the establishment of free trade conditions in this sector. Against the background of import restrictions and rising demand, imports of cars outside of the circuit via official distributors have flourished.

Imports of tyres in Tunisia were subject to a variety of informal restrictions by the Ministry of industry (who needs to approve the yearly import plans submitted by importers). Such informal restrictions have been further tightened since early 2015, and include a de facto prohibition to import some types of tyres which are produced by the local manufacturer, Société Tunisienne des Industries de Pneumatiques “STIP”, and for some other types of tyres, the obligation to purchase 30% of the importer’s requirements locally with STIP in order to get approval to import the remaining 70%. In addition, imported tyres are subjected to consumption taxes, whereas locally produced ones appear not to be. Informal imports of tyres are endemic. Following demarches from the EU and Japan, the Tunisian Minister of industry announced that all restrictions would be removed by the end of 2015. The finance law for 2016, adopted by Parliament in December 2015, abolished all consumption taxes on tyres, thus eliminating any potential discrimination between locally produced and imported tyres. As of early 2016, operators however still have to confirm whether, following the announcement the Tunisian Minister of industry, all remaining restrictions to the import of tyres have effectively been removed as planned.

The finance law for 2014 adopted by Parliament in December 2013 introduced new consumption taxes of 50% (blocks) and 75% (slabs) on various construction stones such as dolomite, travertine, alabaster and granite, with a view to harmonising their rates to those
applied to marble (which were at the same time halved from their previous rates of 100 and 150% depending on the degree of processing). So far locally produced construction stones have not been subject to any consumption tax. The rates were eventually brought down to 25 and 35% as provided for by the amended Finance Law for 2014 approved in August 2014, but the discrimination between local and foreign products appears to still persist.

- Since June 2013, the Pharmacie Centrale de Tunisie ("PCT", which has the monopoly for the import of pharmaceuticals) conditions its authorisation for the marketing of new foreign pharma products to the acceptance by the exporter to bear the risk of the depreciation of the Tunisian dinar for a period of 4 years (sales to the PCT are in foreign currency due to the non-convertibility of the dinar). In addition, the PCT has since May 2014 requested very large price cuts on imported products for which equivalents are manufactured locally.

- According to circular №2013-13 of 21.10.2013 by the Tunisian Central Bank, commercial banks are authorised to sell foreign currency to their clients only after having checked the unavailability of foreign currency deposits on their client's accounts, and this throughout the whole banking network. This requirement comes on top of the requirement imposed in 2013 by the Tunisian Central Bank that commercial banks hold reserves worth at least 30% for any credit granted for the import of consumer goods (the reserve requirement was 50% in 2012). The combined effect of these measures is a restriction of foreign currency for import purposes.

**Turkey:**

- Turkey established a requirement for reciprocity for Good Manufacturing Practices (GMP) certificates to be submitted for receiving the market authorisations for pharmaceutical products. The circular entered into force on 1 March 2010. Turkey does not approve the EU GMP certificates. In order to obtain a Turkish GMP certificate, manufacturers are required to submit numerous documents in Turkish about their manufacturing sites, which would be subject to subsequent inspection by Turkish authorities.

- Turkey made important changes to standardisation rules in its foreign trade regime (now called the product safety and control regime) as of end of December 2012. New product categories and products which are subject to import control and fall into the non-harmonised area are now included in the TAREKS system, the electronic product safety control system based on risk assessment. Accordingly, products bearing CE mark and previously not included under TAREKS are integrated to the system as of January 2013: i.e. machinery, electrical equipment designed for certain voltage limits, products that create or affected by electromagnetic waves, lift safety components, pressure equipment, simple pressure vessels, transportable pressure vessels, appliances burning gaseous fuels and hot water boilers. The second-hand and renovated goods started being processed through the TAREKS system for the first time in 2014. Yet, this is just an administrative procedure and the licensing procedures for this category of products still apply.

- The Law on utilization of renewable energy resources for the purpose of generating electrical energy of 2005 (Law No. 6094) started to be applied in the beginning of 2014. The law stipulates that electricity generation can benefit from a Renewable Energy Resources (RER) Support Mechanism, and where domestic mechanical and/or electro-mechanical components are used for the generation - the prices shall be topped up for a period of five years.

**United States:**

- Food Safety Modernization Act: implementing regulations may entail excessive burdens for EU exporters regarding: registration of exporters and food facilities, designated agents, preventive controls for human food; new production standards; new accreditation standards for food safety audit.
Vietnam:

- Decree 108/ND-CP/2015 replaces the decrees numbered 26/ND-CP/2009 dated 16 March 2009 and 113/ND-CP/2011 dated 8 December 2011 providing guidance on the implementation of several articles of the Law on Excise Duty. This decree 108 enters into force on 1 January 2016. It applies a new mechanism of excise duty calculation. Accordingly the tax base is shifted to the selling price, which is the sum of importers' price (CIF price), import duty and importer margins, from the sum of importers price and import duty as previously. The most affected sectors are alcoholic beverages industry and importers of automobiles. However, this aligns the tax with what was applied at domestic level (selling price) so there is no discrimination.

- The Law numbered 70/2014/QH13, which amends and supplements some articles of the Law on Excise Duty, together with the Decree 108/ND-CP/2015 made some reforms running counter to business desires. It serves as a parent legislation allowing the Decree 108 to shift the tax base from the selling price from the previous mechanism (see above in Decree 108). In addition, the revised law allows the increase of excise duties on certain products such as: (i) tobacco (from 65% to 70% for 2016 – 2018 and to 75% as from 1 January 2019); (ii) alcohols of below 20 decree (from 25% to 30% for 2016 – 2018 and to 35% as from 1 January 2018); (iii) alcohols from 20 decrees upward and beer (from 50% to 55% for 2016, to 60% for 2017, to 65% as from 1 January 2018); and (iv) casino service/ gambling (from the current 30% to 35% as from 1 January 2016). The EU industry has requested a delay in the application of the new norm to have some time to adapt.

- Circular 122 on price controls (Ministry of Finance): enacted on 12 August 2010 and entered into force 1 October 2010. All concerned businesses are required to register their selling prices and changes to these with competent state authorities. This will create an additional administrative burden for retailers and wholesalers in Vietnam trading in the listed products. The circular does not in particular target imported products but the result is that certain products from European producers, in particular baby infant formula, will be affected. The likely consequence is that all actors in the market will be forced to follow the same set of norms in price calculation and consequently profit determination, without taking into account the fact that companies may accept different risks in carrying out their businesses and, as a result, expect different rates of profit. Circular 122 was previously applicable to state-owned enterprises only. Decision 1079/QU-D-BTC from 20 May 2014 imposed for all dairy companies operating in Vietnam a milk price ceiling for 25 formula milk products. Accordingly, wholesale prices of 25 formula milk products have been set at prices 10% lower than the prices that dairy companies registered with the Ministry of Finance in 2013. Retail prices cannot be 15% higher than the referenced prices fixed by the authority. In April 2015, the Government of Vietnam issued Resolution numbered 33/NQ-CP requiring the Ministry of Finance to extend this price cap measure for another 18 months until 31 December 2016.

- Decision of the Ministry of Industry and Trade 1899/QD-BCT of 16 April 2010 to promulgate the list of “non-essential” imported commodities, consumer goods not encouraged for import. The list contains around 1500 tariff lines and is understood, in practice, to restrict importers’ access to foreign exchange through official channels, thereby restricting imports. The publication of the list was followed by a dispatch by the State Bank of Vietnam (ref. 3215/NHHN-CSTT) on 29 April 2010 instructing Credit Institutions to consider, strictly control and restrict the provision of foreign currency loans for making payment for the import of goods items belonging to the list in 1899/QD-BTC. A new list of commodities “not encouraged for import” was published on 25 March 2011, under the Ministry of Industry and Trade's Decision numbered 1380/QD-BCT, replacing the list which had been in force since 16 April 2010. The previous list covered around 1500 products, such as meat and offal products,
wines and spirits, machinery and mechanical appliances, electrical machinery and equipment, vehicles. The new list, which was effective upon signature, expanded product coverage to certain products in the categories live animals, fish and crustaceans, dairy products, sugars and sugar confectionary, miscellaneous edible preparations, table salt, miscellaneous chemical products and miscellaneous manufactured articles. It is expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.

- Decision of the Ministry of Industry and Trade 2840/QD-BCT of 28 May 2010 to promulgate a list of machinery, equipment, supplies and materials, which can be produced domestically. Ministries, sectors and the People's Committees are to use these lists to monitor the discouragement of imports and the limitation of access to foreign currency. Ministries and other authorities are to instruct agencies, units and enterprises to select and use the list in tender activities of investment projects using the state budget in line with the spirit of the Prime Minister's Directive no. 494/CT-TTg dated 20 April 2010. This Decision 2840/QD-BCT has been under substantial modifications eight times during 2010 – 2012. In fact, the list of domestically-produced machineries and equipment has been added with new items. The relevant legislations which amend this Decision 2840/QD-BCT are decisions 1746/QD-BCT (date of entry: 9 April 2012), 2313/QD-BCT (date of entry: 4 May 2012), 7073/QD-BCT (21 November 2012), 4872/QD-BCT (20 September 2010), 0283/QD-BCT (19 January 2011), 2979/QD-BCT (17 June 2011), 223/QD-BCT (13 January 2012), and decision 1366/QD-BCT (22 March 2012). The Ministry of Industry and Trade has added more items to this list since September 2012. The new legislations which prolong the list include the decisions 5371/QD-BCT (12 September 2012), 3695/QD-BCT (5 June 2013), 7885 QD/BCT (23 October 2013), 10326 QD/BCT (13 November 2014, and 3491/QD-BCT (12 April 2015).

- Government Resolution no. 18/NQ-CP dated 6 April 2010 on “key measures to ensure macro-economic stability, curb inflation and achieve a GDP growth rate of approx. 6.5% in 2010, which include: Implement measures on prices”; to restrict foreign currency loans for those goods for which imports are not encouraged; Specify the use of materials and equipment of domestic production to replace imports under projects and works; Promulgate the list of “inessential” import goods, non-encouraged import of consumer goods; Take measures to control foreign currency loans for the import of these items.

- Vietnam's Circular 30/2011/TT-BTTTT dated 31 October 2011 on type approval certification and declaration of conformity for IT and telecommunications products. This circular, which entered into force on 11 January 2012, requires equipment to be tested by designated labs located in Vietnam. It is expected that this issue will be solved in the course of the implementation of the FTA with Vietnam for which negotiations were concluded in December 2015.

- On 20 June 2012, Vietnam passed the Law on Prices replacing the Ordinance on Prices numbered 40/2002/PL/UBTVQH dated 26 April 2002. This legislation took effect on 1 January 2013. Under the Law, certain goods and services may be controlled by the State by means of four pricing control methods. Those goods and services comprise of petrol & liquefied gas, electricity, nitrate & NPK fertilisers, plant protection drugs, vaccines for livestock and cattle, edible salt, milk for children under six years old, sugar, paddy & rice, human-use preventive & curative medicines used at health care establishments. The price determination is also applied to goods and services exclusively manufactured and traded by the State, and important natural resources and goods held in storage as national reserves. This long list includes aviation services, telecommunication connection services, electricity services (transmission, generation, wholesale & retail), land & surface water, healthcare services, education & training services, and domestically-produced cigarettes. The Law on Prices also provides detail conditions for establishment of an enterprise engaging in price
evaluation, conditions for a price evaluator, as well as the rights and obligations of price evaluating enterprises and evaluators.

IV. MEASURES TO STIMULATE EXPORTS

Argentina:

- Decree 2229/2015 of 3 November 2015 reintroduced for 5 years a refund for exports from ports in the more disadvantaged geographical region of Patagonia that had expired in 1999.

Brazil:

- Sovereign wealth fund was introduced, aiming to protect the country from the global financial crisis and to help Brazilian companies to boost trade and to expand overseas.

- Decision to increase the number of exporting companies with access to the government's export financing programmes. As part of the new industrial plan launched on 2 August 2011 ("Brasil Plano Maior), the Government announced that the time lag for export refunds to be made available to exporters will be significantly reduced.

- An additional credit line (R$80 billion, US$ 43.6 billion) was opened by the National Development Bank on 10 December 2009.

- On 6 September 2010, the Government adopted a decree (Medida Provisoria N - 501) increasing funds allocated to the BNDES (National Bank for Development) to fund exporting operations by Small and Medium Enterprises. Funds passed from R$45 billion to 90 billion (over €40 billion). BNDES funds directly or indirectly (through financing operators) exporting operations at interest rates below market levels. Under certain circumstances it grants non-refundable funds.

On June 24th 2015, the Brazilian government launched the “National Export Plan”, aiming to increase Brazil’s exports of goods and services. The intended result for this incentive-based instrument would be to increase productivity, competitiveness, income generation and economic growth of the country. This plan is based on projections of the International Monetary Fund, which foresee an expected average global growth of 4.8% for the 2015-2020 period. The Brazilian government’s plan is based on five major pillar, among which:

1. Financing and guarantees for exports: improving of financing instruments to boost existing exports, and supporting companies in export financing needs;

2. Improvement of mechanisms and tax regimes for export support: the government will seek to simplify the various special schemes offered to exporters.

- A second phase of the Plano Brasil Maior was announced in April 2012 with a package of measures geared to promote manufacturing industry and competitiveness. Within this context, for foreign trade sectors competing with imported products, the government announced the expansion of the Export Financing Program (PROEX), which will make BRL 3.1 billion available to ease trade operations.

- Reintegra programme. Law No. 12.546 of 14 December 2011 introduced the Special Regime for the Reimbursement of Taxes for Exporters, known as Reintegra. The programme enables exporters of manufactured goods to recover residual indirect tax costs levied on the production
chain, such as the Tax on Services (ISS), the financial transaction tax (IOF), and the royalty tax (CIDE). Companies that export goods manufactured in Brazil are entitled to a refund of up to 3% of their gross receipts from exports, to be used either as a credit against federal tax liabilities, or as a cash payment. The programme has expired at the end of 2013. Its reintroduction was however formally announced by the Government in June 2014, and it was effectively reintroduced by Provisional Measure 651 on 10/7/2014 and Decree 8.301 of 12/9/2014 extending to scheme to ethanol and providing for a limitation of 40% on imported products. Then, in order to regulate the application of the Reintegra Program renewed by Provisional Measure 651/2014, the Brazilian government issued the Decree 8.304 on September 12th, 2014. According to Decree 8.304/2014, companies that produce and export goods manufactured in Brazil are allowed to request a credit that may vary from 0.1% to 3% calculated on the revenue from the export of such goods. Decree 8.304 was replaced in February 2015 by Decree 8.415 (of 27/02/15), which has delayed the application of the maximum tax-refundable percentage, but also provided for an opportunity to have it increased depending on the "macroeconomic situation". The Provisional measure 651/2014 was sanctioned and replaced by the Law No. 13.043 of 13 November 2014.

- Brazil operates a drawback scheme designed to reduce the tax costs associated with inputs used in the production of goods for export. The scheme provides for the suspension or exemption of import tariffs and indirect taxes such as IPI, PIS, COFINS, ICMS and AFRMM levied on inputs used to produce exportable goods. The regime was extended by Decree 8.010/13.

- Law No. 12715 of 17 September 2012 amended several programmes and tax incentives:
  
  o RECAP – the Special Regime for the Acquisition of Capital Goods for Exporting Companies, established by Law N. 11196 of 21 November 2005 grants tax benefits (PIS/PASEB and COFINS) to predominantly exporting companies, which according to the amendment, are from now on those whose gross export turnover is 50% or more of the total gross income.

  o the IPI Tax Suspension for Raw Materials, Intermediate Goods and Packaging Materials for companies that produce certain goods, established by Law N. 10637 of 30 September 2002 applies to predominantly exporting companies, which according to the amendment, are from now on those whose gross export turnover is 50% or more of the total gross income.

  o REPES – the Special Tax Regime for the IT Services Exports, established by Law No. 11196 of 21 November 2005, grant tax benefits to predominantly exporting companies, which according to the amendment, are from now on those whose gross export turnover is 50% or more of the total gross income.

Canada:

- The Canadian government has increased the focus on promoting trade and stimulating the diversification of the nature and destinations of Canadian exports. These efforts are based on a number of instruments and programs implemented primarily by Export Development Canada (EDC) and the Canadian Trade Commissioner Service (TCS). TCS offers services free of charge to Canadian companies to help mitigate the risks, minimize the costs and maximize the opportunities of international business. EDC supports and develops exports by providing insurance products, financing and bonding solutions to companies engaged in export-related activities, as well as to their foreign customers. The Canadian federal 2015 budget included a number of proposed measures.
to stimulate Canadian exports among others within the automotive, maritime, forestry and agricultural sectors.

China:

- The sectoral plans that have been published for various sectors cover various forms of support including financial support measures, consolidation around national champions and reduction of outdated capacity. The measure does not discriminate between domestic and foreign producers established in China but there is generally a reference to increases of export tax rebates as a way to support exports.

- In March 2015, the State Council announced that the central government assumed, retroactively to January 1st, 2015, full responsibility (100%) for paying export tax rebates to companies, a measure aimed at reversing a slump in exports and spur growth. For any rebates still due for 2014, local governments remain responsible for their share, which was 7.5 percent. Previously, the central and local governments split the burden of export tax rebates. Other smaller adjustments to the export tax rebate system have been made recently, including further delegation of approval authority, a simplified application process and faster rebates.

Ecuador:

- Tax related measures: Since June 2015, Govt. is applying the devolution of a percentage between 2% and 5% of taxes to exporters of non-traditional products to avoid that these goods lose competitiveness in the international markets. The objective is to give liquidity to that sector and to avoid waiting for the payment of importers. It is a simplified and immediate method of tax devolution. Also, Regulation 013/2015 was issued to help the exporting sector to confront the complex situation. The Government has implemented measures such as: the 100% exemption of the advance tax payment for the fiscal year 2015 for flower, tuna and palm due to the drastic fall in their exports as a result of monetary devaluations, loss of competitiveness, fall in prices, lower international demand. It also exempted the tobacco sector from its 2014 fiscal obligations. This measure has been extended through 2016.

Egypt:

- Egypt, through the Export Development Fund, subsidises exporters of non-oil products ranging from 8-10% of the value of the exported goods. Although the government has always asserted that subsidies target low profit companies with low energy consumption (since energy is heavily subsidised), in practice it appears that the subsidy is widespread across exporting companies, and exporters with high profit margins and high energy consumption can also benefit from it. In fiscal year 2012/13 the government allocated 1.8 billion EGP to the Export Development Fund, 30% less than in 2010/11 and 55% less than in 2009/10.

- The government budget in fiscal year 2014/2015 has allocated 2.6 billion EGP to export subsidies, 500 million EGP less than in fiscal year 2013/2014. The Minister of Industry and Trade has announced a possible revision of the export subsidy system to prioritise emerging markets with export growth potential.

India:

- New Foreign Trade Policy (FTP) was unveiled on 1st April 2015. The new FTP aims to increase exports of goods and services as well as generate employment and increase
value addition in the country, in keeping with the “Make in India” vision of Prime Minister Modi. This new policy supports both the manufacturing and services sectors, with a special emphasis on improving the ‘ease of doing business’ and trade facilitation. It focuses on exports of high value addition products, pharma, defence and environmental friendly products will be prioritized. In this vision, the government aims to increase India's exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and to raise India's share in world exports from 2 percent to 3.5 percent. It will no longer be revisited annually but will only be reviewed after two-and-a-half years which should lead to a more stable and predictable policy framework. There are several export supporting measures included in new FTP:

- It attempts to simplify export procedures and reduce transaction costs by introducing special treatment and privileges for so-called "Status Holders" (different categories depending on annual export value starting from minimum USD 3 million) to facilitate their export transaction.

- Reduced Export Obligation (EO) from 90% to 75% for domestic procurement under Export Promotion Capital Goods (EPCG) scheme – measure to support Make in India and promote domestic capital goods manufacturing industry.

- Two new export support schemes were introduced: Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified markets and Services Exports from India Scheme (SEIS) for increasing exports of notified services.

- MEIS has replaced 5 different schemes of previous FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agriculture Infrastructure Incentive Scrip and Vinesh Krishi Gram Udyog Yojana (VKGUY) for rewarding merchandise exports which had varying conditions (sector specific or actual user only) according to their use.

- SEIS (replacing the “Served from India Scheme”) should provide for rewards to all service providers of notified services, who are providing services from India. The rate of reward under SEIS would be based on the net foreign exchange earned. The present rates of reward are 3% and 5%. The list of services and the reward rates would be reviewed after 30.9.2015.

All the MEIS and SEIS benefits are to be automatically extended to units located in Special Economic Zones as well. This FTP replaces the stimulus packages which were mentioned in the 2014 report and which covered exports of leather and textiles, imports of capital goods, exports in the engineering, electronics and agro-food sectors.

**Indonesia:**

- Ministry of Finance Regulation No. 143/2011 on bonded zone warehouses caps the permitted domestic sales at a maximum of 25% of the export realization value in the previous year (50% in the previous regulation). Effective from 1 January 2012.

**Japan:**

**Japan Revitalization Strategy 2014/E-FACE 2014**
The "Japan Revitalization Strategy" announced by the Government of Japan on 24 June 2014 urged the JBIC (Japan Bank for International Cooperation) to focus "E-FACE" "(Enhanced Facility for Global Cooperation in Low Carbon Infrastructure and Equity Investment)" on projects which would contribute to enhance earning power of Japanese companies and to introduce new methods such as subordinated loans and LBO financing. Accordingly, the "E-FACE" was revised to reinforce financing for: i) overseas M&A by Japanese companies, ii) promotion of overseas natural resource exploitation and iii) Japanese financial institutions which support overseas development of Japanese companies and iv) overseas business of SMEs. In these areas, JBIC made a total of 203 commitments amounting to Yen 1.477 trillion in loans, equity participations, and guarantees in FY 2013.

Insurance support to exporting companies

The Nippon Export and Investment Insurance increased the maximum amount of insurance coverage to 30 billion yen in April 2014. It aims to support Japanese companies to expand exports, led by automobiles and electronics to emerging markets such as the Middle East and Asia.

Japan Revitalization Strategy 2015

The Government of Japan announced the "Japan Revitalization Strategy III" on 30 June 2015. Following the previous strategies, the 2015 strategy promotes overseas development of Japanese companies, in particular focusing on exports of infrastructure systems.

In this connection, Prime Minister Abe announced the "Partnership for Quality Infrastructure" on 21 May 2015 as a response to the Asian Infrastructure Investment Bank (AIIB) launched by China, prior to the announcement of the 2015 growth strategy. While this project will expand Japan's ODA loans, it will also enable JBIC to actively provide funding for public-private partnerships (PPP) infrastructure projects "with relatively high risk profiles". The Partnership will provide $110 billion over the next five years where JBIC and Japan Overseas Infrastructure Investment Corp. for Transport & Urban Development (JOIN) will contribute $20 billion. The rest will be provided by the Asian Development Bank (ADB: $53 billion) and the Japan International Cooperation Agency (JICA: $30 billion). The projects covered by the scheme will include high speed trains in Taiwan, railway systems in Myanmar and India, thermal power stations in developing countries and airports and terminals in Vietnam and the Philippines.

Malaysia:

On 29 October 2009, the Ministry of International Trade and Industry presented a plan for the Review of the National Automotive Policy (NAP), with as main objective to attract FDI while continuing to subsidise the national car industry. To encourage exports, the Government has increased income tax exemptions: if the exports of an automotive company increase by at least 30%, 30% (from previously 10%) of the increased export income may be exempted from income tax; if the exports increased by at least 50%, 50% (from 15%) of the increased export income may be exempted from income tax.

Malaysia grants no direct export subsidies or tax concessions to exporters, instead incentives (for example, the tax incentive of double deduction for export promotion) are given to encourage companies to seek new export markets.

Support is available in the form of statutory income tax exemption, based on the value of increased exports. A manufacturing company or a company engaged in the production of fresh and dried fruits, fresh and dried flowers, ornamental plants, and ornamental fish may benefit
from a tax exemption on its statutory income equivalent to 10% of the value of its increased exports. In manufacturing, companies are also eligible for tax exemption on statutory income, equivalent to 10% or 15% of the value of increased exports, provided that the goods exported attain at least 30% or 50% value-added, respectively.

- Under the national Automotive Policy for the period 2014-2020, soft loans amounting to RM126 million are available to finance the establishment of a Distribution Infrastructure Network (DIN) that serves as an extension plan to the existing promotional and marketing activities under MATRADE. The DIN is a coordinating centre in targeted markets and managed by the private sector to undertake activities such as marketing, warehousing.

**Russia:**

- In 2009, state support for exports of Russian manufactured goods was envisaged at 9 billion roubles, which was three times more than in 2006. This was mainly implemented by subsidising the interest rates on credits received from Russian commercial banks. The upper limit of state guarantee granted to exporters of manufactured goods was raised from $50 million to $150 million and the procedure for granting state guarantees was streamlined.

- On 20 February 2010, the Russian Government introduced a subsidy of 5.07 billion roubles to boost export sales of grain from intervention reserves.

- The federal budget for 2013 provided for $1,500 million in state guarantees for Russian exporters of products with a high degree of processing and services with high value added.


- Government Resolution N°330 of 15 April 2014 approved the State Program 'Development of foreign economic activities', with the Subprogram 'Establishment of national system of support of foreign economic activities', which aims at enhancing the effectiveness of financial support to exporters, and improve access to foreign markets for Russian goods. The federal budget allocated 17.8 billion rubles of financing until 2018.

**South Africa:**

- On 06 July 2012, the authorities introduced a rebate item 470.03/00.00/03.00 for goods cleared in terms of a permit issued by the International Trade Administration Commission of South Africa (ITAC) for the manufacture, processing, finishing or equipping of yachts exclusively for export. (Notice R.509).

- The National Exporter Development Programme (NEDP), launched on 04 April 2013, serves to increase exports, particularly of those products and services that add value and contribute to employment and the green economy. The target group is small, micro and medium enterprises (SMMEs), while still taking into account the needs of larger potential and established exporters. The vision of the NEDP is to provide an exporter development programme that contributes to increase the number of active exporters and the growth of exports value.

**South Korea:**

- In April 2011, the Korea Trade Insurance Corporation announced that it would offer payment guarantee coverage worth USD 1.03 billion to 10 large container ships being built by Hyundai Heavy Industries Co. for the Hapag-Lloyd, the world's fourth-largest container operator with 137 vessels. This was in order for Hyundai Heavy Industries Co. to secure financing from
various lenders for the Hapag-Lloyd AG deal. The Korea Trade Insurance Corporation said that it would continue to offer export insurance coverage for ship orders won by local yards, which were expected to win new orders as global trade recovers from the 2008 worldwide financial crisis.

- According to the Ministry of Knowledge Economy (MKE) in its report on 2012 trade strategies published on 3 February, 2012, the Korean government will be supporting 100,000 first-time exporters and domestic firms with insufficient experience in exports to expand its global trade figures to two trillion dollars by 2020. The government would raise the number of export-oriented SMEs from current 80,000 (as of late 2010) to 100,000. The strategy also consisted of increasing subsidies for export consulting, dispatching more trade expeditions, and selecting model firms (with export targets of five million dollars) and robust firms (with export targets of $50 million). Trade insurances for SMEs would be increased from 19 trillion won ($16.97 billion) in 2011 to 50 trillion won, while government support for mid to large-sized projects would increase from 14 trillion won to 50 trillion won. According to this report, the trade insurance and the Export-Import Bank of Korea would open up more than 60 percent of their loan and credit lines with the first half of 2012, in efforts to help domestic exporters overcome external uncertainties.

- On October 29, 2012, the MoTIE (former Ministry of Knowledge Economy) announced its scheme to actively provide domestic companies, which were going through a restructuring process, with special financial support associated with the export insurance, from November 2012 to June 2013. Whether to extend its implementation will be decided at a later stage, depending on the assessment of the outcome of the new scheme. Companies which have established an export contract (despite their ongoing restructuring process) are to benefit from this scheme. The support consists in the export credit guarantee (up to KRW 100 billion) and short-term export insurance (no threshold defined).

- On 1 May 2013, the MoTIE unveiled its new planning to provide financial support for SMEs, as part of the Ministry's comprehensive scheme recently designed for the "economic growth and job creation through trade and investment expansion". The main pillar of its broad policy scheme lied in "expanding support to SME exporters", which constituted an integral part of the MoTIE's "New Trade Policy Strategy", which gave much weight to closely linking the external trade policy with fostering domestic industries.

Switzerland:

- In the framework of the parliamentary budget debate on the 2016 budget, the Parliament approved in December 2015 export subsidies for processed agricultural products in the amount of 94.6 million Swiss francs.

Taiwan:

- Taiwan had pursued three main programmes to stimulate its economy, including one on stimulating and promoting exports. The measures are currently viewed as relatively non-discriminatory. On 25 December 2008 the Cabinet announced an export stimulus package totalling NT$8.53 billion (US$ 258.7 million, €182.7 million) to be used through 2012. The main focus of the package, developed by the Bureau of Foreign Trade, was on stimulating exports to China and markets in emerging economies. The program of stimulus is named the 'New Zheng He Plan'. The bulk of the funds, NT$5.58 billion, was used between 2009 and 2010 and focused on supporting financing for export businesses by providing preferential loans and export insurance. A further NT$1 billion was used between 2009 and 2010 specifically to boost exports of foodstuffs to China. The majority of the rest of the funds, around NT$1.8 billion was dedicated be used to target the markets of India, Russia, Brazil, Vietnam, Indonesia, Malaysia and those of the Middle Eastern countries. This plan, focused
on export promotion and addressing SME financing difficulties, was relatively in line with measures seen globally. As such it is not seen as particularly objectionable. In December 2011 the Ministry of Economic Affairs (MOEA) earmarked NT$5 billion (120 M EUR) for additional export credit.

- The Ministry of Finance expanded the list of raw materials for export that are exempt from taxes on 29 January 2013, retroactively applied from 1 January 2013, to boost competitiveness of the export industry outside the free trade zones. The list now includes all raw materials with the exception of 51 items. The materials are now exempt from import duties, commodity tax and business tax, and the exporter can apply for a tax refund upon export, as indicated in the Customs Act.

**Thailand:**

- In September 2013, Thailand launched Phase II of the eco car scheme providing tax incentive opportunities (corporate tax, import duty and other tax benefits) for both the existing beneficiaries (Toyota, Suzuki, Nissan, Honda and Mitsubishi) under Phase I (initiated in 2007) and newcomers. As in Phase I, the conditions of substantive investment (at least 6.5 billion THB), substantial production (both in terms of complete manufacturing lines and volume), safety standards, carbon emission and fuel efficiency are still required, with a more stringent set of requirements (e.g. Euro 5, safety standards, CO2 ≤120g/km emission standard, fuel consumption, manufacturing capacity of ≥ 100,000 cars/year from the 4th year onwards). Given the high volume of production required, which the domestic market would not be able to absorb, tax incentives granted under this scheme have the potential to become cross export subsidies. It has been reported that the scheme is becoming outdated. Some automakers which have been granted approvals for the eco car scheme phase II are uncertain about the implementation given that the market conditions and rapid evolution in engine technology may not allow them to meet the high volume of production requirement.

- A new investment strategy covering a seven year period (2015 – 2021) entered into effect as from 1 January 2015. The strategy is developed with the objective to move away from the geographical investment zone based approval criteria to a new concept based on prioritized industry clusters/sectors, activities and merits e.g. investment in R&D, technological development/transfer, product/packaging design, contribution to local suppliers' development, etc. Overall, the number of business activities eligible for benefits from such incentives has been reduced.

Regarding activity-based criteria, promoted activities will be divided into two categories, i.e. category A (with four different tiers of incentives) and category B (with two different tiers of incentives). Category A activities - considered to be important for the country's development - are eligible for corporate income tax (CIT) exemption, whereas Category B activities - considered to be supporting industries that do not use high technology but are still important to value chain - are not eligible for CIT exemption. (It should be noted that in the former BOI ("Board of Investment") investment promotion strategy, CIT exemption was generally available for most promoted activities.) Similar to the previous investment promotion scheme, activities in categories A and B qualify for import duty exemptions (except for used machines) and other non-tax incentives e.g., permission to own land, work permit facilitation for foreign workers, etc. A number of promoted investment projects are granted certain incentives only when the goods manufactured are exported. The strategy also includes certain subsidies that could be closely linked to exports. In particular, while import duty reduction/exemption for raw materials or input used for production under the BOI scheme could be granted on a general basis, a number of promoted investment projects now benefit from this incentive only when the goods manufactured are exported.
V. OTHER MEASURES

V.1. Stimulus packages

Algeria:

- The Government maintains measures adopted in 2008-2009 to stimulate dairy production in Algeria: these take the form of incentives for production and collection of raw milk such as micro-credit, and of direct subsidies for imported milk powder (used to produce reconstituted milk and other dairy products).

- Algerian Loi 13-08 of 30 December 2013) provides for changes to the tax code and contains an exemption from VAT for equipment and services purchased domestically that are used directly in an investment of a “young entrepreneur” which is entitled to use certain credit programs. The measure appears more designed to protect the local equipment producers rather than to help the young entrepreneurs. These tax breaks are discriminatory, as they only apply to domestically produced equipment.

Argentina:

- Decrees 1027/2012 and 480/2013-PEN – Temporarily extended, until end June 2013, a subsidy ('Fiscal Bond') for domestic producers of capital goods, which had been implemented since 2001 (Decrees issued on 05.07.2012 and 06.05.2013). The scheme was established by Decree 379/2001, amended by Decree 594/2004 and has been subsequently extended, until June 2016, by Decrees 2512/2014 (19.12.2014), 451/2015 (06.04.2015), 1424/2015 (28.07.2015) and 51/2016 (07.01.2016).

- In the context of the fall of the international prices of oil, Argentina created a temporary stimulus programme for crude oil production, to be in place over 2015 and extendable for one year, through Resolution 14/2015 of April 2, 2015. It approved an economic compensation of up to USD 3/BBL - to be paid in AR$ - for companies that raise or maintain production (compared to a base period) and additionally the same compensation for enterprises that increase or maintain oil exports.

Brazil:

- Brazil's state development bank, BNDES, is supplying subsidized loans for up to 90 per cent of the costs for domestically built ships. The BNDES continues to play a leading role in providing sufficient competitive-low cost credit lines to exports of goods and services. Disbursements in lines for exports reached BRL 18.4 billion (€ 7.9 billion) in 2010, for an increase of 38.2% as compared to the previous year (+170% in comparison to pre-crisis disbursements). The main highlights were capital goods, along with engineering and construction services. As part of the new industrial plan launched on 2 August ("Plano Brasil Maior"), the Government extended the subsidized loan programs run by the BNDES, which announced R$ 500 billion loans to be granted between 2011 and 2014 to foster industrial production. The government also extended until the end of 2012 the Programa de Sustentação de Investimentos of the BNDES, with loans between 4.0% and 8.7% per year, to the benefit of the technology and innovation sectors. Other BNDES' budget lines were increased, in particular the ones concerning SMEs (from R$ 3.4 to R$ 10.4 billions at interests rates between 10.0 and 13.0% per year - programme extended until December 2012). Similarly, BNDES' budget lines were activated to provide loans to the auto–parts sector and to meet requests for funding coming from private institutions operating in the area of technical education and trainings.
• The Brazilian Development Bank undertook on 26 August 2009 a reduction of interest rates on public financing of exports of capital goods within the framework of the existing rules on pre-shipment financing for exporters (PROEX). On the same day the benefits of the system were extended to small and medium-sized enterprises.

• In the framework of the "Plano Brasil Maior" launched on 2 August 2011, it was announced that 3% of the revenues coming from exports would be redistributed to the benefit of the manufacturing industry.

• The key measure of the Plano Brasil Maior of 2 August 2011 concerns payroll-tax cuts for textile, footwear, mobile and software producers, who are exempted from the payment of the 20% social security tax. Tax cuts should amount to 25 billion reais (€ 11 billions) and were presented as a pilot project which could be soon extended to other sectors. The Government will partially recover some of the money by introducing a new tax on profits (amounting to 1.5% for textiles and footwear producers, and 2.5% on mobiles and software ones).

• On April 4 2012, Brazil launched a new stimulus package (Brasil Maior II), which is worth about BRL 60.4 billion (€ 25.3 billion), equivalent to 1.5% of GDP, and include a mixture of fiscal incentives, comprising lowering payroll taxes for employers in hard-hit industries and increasing tariffs on products that have been gaining market space. Other measures include giving preference to national goods in public procurement; more liberal rules for trade financing; incentives for the IT industry; tax incentives for innovation in the automotive industry; tougher enforcement of trade regulations against unfair trade practices. Furthermore, the government will transfer BRL 45 billion (€ 18.8 billion) to the state development bank, BNDES, to use for subsidised loans to industry to foster local production and technological innovation.

• In April 2013, the Government, announced in the frame of the industrial policy programme Brasil Maior the launch of ‘strategic agendas’ for 19 sectors (including inter alia petroleum and gas, chemical industry, metallurgy paper and cellulose, capital goods, agroindustry, renewable energies, mining, textiles and apparels) that would consist of different variations of preferential industry treatment schemes. The measures would include inter alia a 3% compensation upon exportation of domestically paid taxes that were not compensated otherwise (export subsidies) and other fiscal benefits. The schemes are supposed to be focused on developing and boosting local production of capital goods (in order to diminish their imports). For the automotive sector more incentives are planned, particularly for car parts producer, however despite the underperformance of the automotive sector so far, no particular measures were adopted, apart from import tariff reductions for certain car parts.

China:

• Only Chinese-owned companies have access to China's generous subsidy to scrap old ships established by the "Administration of Central Government Subsidies for the Scraping of Outdated Ships and Single-hulled Oil Tankers and the Rebuilding of New Ships" Cai Jian [2014] No. 24. The subsidy is linked to a ship-building subsidy with a gross tonnage at least equivalent to that of the scrapped ship. This double subsidy reinforces the competitiveness of China's shipping industry by upgrading their fleet and increasing their capacity at a low cost; it also compensates for the overcapacity that plagues China's shipbuilding sector. Launched in 2014 for two years, the subsidy has been extended until end 2017.

• Support measures in favour of the tyre industry and its upstream and downstream processing were announced in the press in the wake of the US decision to impose special safeguard measures on tyres imported from China.
China Southern Airlines received 1.5 billion yuan cash injection. The fund is the last instalment of capital that the government extended to the top three carriers. The Nation's three major carriers frequently receive funds from the government to compensate for their losses. Just in the first quarter of 2014, the State had to pump and estimated 1410 million RMB (208 million €) into the three majors to compensate for their losses.

Provisions regarding a Universal services fund (USF) stipulated in the Postal law require express delivery operators to contribute to such fund without however specifying the details of the fund’s operation. Businesses oppose the scheme, as contravening the principles of sound economic regulation and leading to higher costs for consumers and an unfair competitive advantage to State-owned firms. The scheme appears in violation of the guiding policies of the Government to reduce the burdens on the logistics industry. In May 2014, the USF provisions were in draft form, awaiting implementation. Up till now, the SPB has not confirmed neither withdrawal nor adoption of the planned measures for a USF.

In March 2014, Chinese authorities confirmed they would provide subsidies to Chinese grain producers in amounts reaching 100 billion RMB.

On May 30, 2014 the Measures on the Administration of Subsidy Funds for National IOT Development and Rare Earth Industry (Cai Qi [2014] No. 87) were released, which became effective from the promulgation date. The subsidies are to support technical innovation and industrial development of Internet of Things (IOT) and of the rare earth industry. While some tranches are partly intended for R&D, other uses include areas such as rare earth mining and smelting in support of “existing businesses on the rare earth mining, smelting production systems and environmental systems” and “industrialization of high-end applications and technologies for rare earths”.

On 24 June 2013, the National Development and Reform Commission issued Rules on the Management of Central Budgetary Investment Subsidies, which entail investment subsidies and loan interest discounts, focused on economic and social areas where the government presumes market failures, including in investment projects promoting technological development and high-tech industrialization.

On 24 June 2014, the MIIT, the NDRC and the Ministry of Finance issued "Guidelines to Promote National Integrated Circuits Industry Development", which provide for a support policy into the IC sector value chain, aiming at making China the global leader in all segments of the IC industry by 2030. Support will be enacted through a national and several regional support funds, through tax support policies, as well as other financial support tools (credit support, debt financing tools, loan insurance). The value of the support fund managed by the central government would initially reach at least 100 billion RMB. Total support to the industry, including by local governments, could reach 300 billion RMB. One of the important aspects of this strategy is to acquire leading edge technologies in the area of semiconductor components to help China’s incumbent semiconductor foundry (SMIC) to catch up with the rest of the world. Since the end of August 2015 there have been a number of offers by Hua Capital Management, which manages the national Chinese semiconductor industry investment fund, to purchase a number of foreign companies.

The blueprint of an ambitious strategy known as "Made in China 2025" was released on 8 May 2015 via a notice of the State Council. The "Made in China 2025" plan is a major strategic decision on the future development of Chinese manufacturing industry in response to rapid technological changes in manufacturing and against the backdrop of the changing international and domestic situation. "Made in China 2025" ambitions to comprehensively upgrade Chinese industry with clear principles, goals, tools, and sector focus. To that purpose, the authorities will provide preferential policies to promote the
restructuring of the traditional manufacturing industry – with a focus on an innovation drive, intellectual property and green development- and support enterprises' mergers and reorganization. Industrialisation and informatisation will be deeply integrated to make breakthroughs in some key fields. The plan calls for an all-out push to boost China's own high-technology industries, with for instance a special emphasis on some more 'sensitive' sectors such as semiconductors manufacturing or the nuclear energy sector. What also appears in watermark through the strategy is China's willingness to rely on domestic technology for industrial policy reasons as well as on "national security" grounds. The plan sets for the first ten years specific targets with respect to innovative capacity, quality and efficiency, integration of industrialisation and information technology, and green development. The plan also sets the goal of raising the minimum domestic content of core components and materials to 40% by 2020 and 70% by 2025.

- On 1 July 2015, the State Council released "Guiding Opinions on Actively Promoting the “Internet+” Action". The strategy ambitions to closely integrate the internet with the real economy by promoting the combination of Internet, Cloud, "Big Data", and "Internet of Things" with modern manufacturing. It lists eleven priority sectors, namely innovation, manufacturing, smart energy, public financing, modern agriculture, public services, logistics, transports, artificial intelligence, e-commerce and agriculture. Finally, the document provides an action plan in 7 policy areas to support the strategy. The government will provide finance support and tax preferences to key projects related to the Internet Plus plan, and encourage local governments to follow suit, while welcoming investors from home and abroad. By 2025, the government hopes to achieve a "perfect" Internet+ industrial ecosystem based on network, intelligence, service and coordination.

Egypt:

- In fiscal year 2013/2014, Egypt's transition Government adopted a number of reviews to the Budget, which were enacted by the President to include two "Stimulus packages" of EGP 60 bln in total (about 3% of GDP). This additional spending was mainly geared towards investment projects, although in the end a significant amount of the additional budget went to recurrent spending.

India:

- On 12 September 2013, India approved the National Food Security Act, a programme aiming at providing around two-thirds of the Indian population with supplies of rice, wheat and coarse cereals at highly subsidized rates of Rs 1 to 3 per kg (€0.013 to €0.039). The Bill is the biggest ever experiment in the world for distributing highly subsidized food by any government through a ‘rights based’ approach. Some of the subsidised products are now allegedly being exported instead of reaching the targeted population.

Japan:

**New Growth Strategy 2010 and further Revitalization Strategies**

- The "New Growth Strategy" of June 2010 and its implementing guidelines "The three step economic measures for the realisation of New Growth Strategy" foreshadowed a number of measures to stimulate the economic growth, inter alia, to counter the yen's appreciation and deflation. The revitalisation strategies that followed foresaw similar stimulus measures and continued to focus on issues such as countering yen appreciation and deflation. Also the 2015 Japan Revitalization Strategy aims to overcome deflation and create demand but the measure against yen's appreciation is no longer a policy target since the yen has depreciated in recent years. As stimulus measures, the 2015 Growth Strategy calls for higher corporate "earning
power” through the reinforcement of corporate governance and promotion of IT economy. It also aims to enhance productivity through investments in industries such as agriculture, services, healthcare and tourism.

Pakistan:

- **Pakistan is in the process of establishing an EXIM Bank. It is anticipated that it will start functioning in the second semester of 2016. It will announce specific packages for promoting exports and imports with subsidised trade financing.**

Russia:

- **Government Decree No. 205 of 10 March 2009 established rules for granting subsidies in the period 2009–2011 from the federal budget to producers of agricultural machines and tractors, the wood processing sector, producers of equipment for the oil and gas sector and producers of machine tools in order to cover part of interest rates on credits for up to 5 years for technical modernization. Additionally, the Government launched a scrappage programme for agricultural machinery, allocating 3.5 billion roubles to replacing an old stock of agricultural machinery.**

- On 19 June 2009, 39 billion roubles in additional subsidies were approved for the automotive industry (as envisaged by the Government Anti-Crisis Plan for 2009). The upper price threshold of locally produced cars subject to state subsidies (2/3 of CBR refinancing rate for banking credits to individuals) was raised from 350 billion roubles to 600 billion roubles (foreign cars assembled in Russia partly included). The subsidies were also to cover costs of transportation by rail of locally produced cars (including some foreign cars assembled in Russia). State guarantees were provided (130 billion roubles) and partial compensation on credit rates on vehicles purchased by private persons (2 billion roubles). A 29bn rouble interest-free credit was provided by the Government Order No. 2080 of 25 December 2009 to AvtoVAZ (total financial support for this company is estimated at 75bn roubles). The Government allocated a total of 33.5bn roubles to support the automotive in 2010 (including 20bn roubles on purchases of automobiles by federal government bodies, and 2.5bn roubles as subsidies for the payment of interest on loans).

- The 2009 Government Anti-Crisis Plan envisaged that subsidies in the agriculture and fishery sectors in 2009 would total 212 billion roubles, almost 45% more than in 2008. Another 95 billion roubles would be spent by the Russian regions.

- According to the same 2009 Anti-Crisis Plan, the Military-industrial complex was to receive 969 billion roubles in subsidies in 2009 (38% more than in 2008). Subsidies were also foreseen to boost capitalization of leading firms (such as MiG, Gorbunov and Khrunichev) or to prevent bankruptcies of enterprises producing weaponry.

- 325 million roubles were allocated in 2009 to subsidise interest rates on banking credits for the wood sector, and to create seasonal reserves of rough wood and fuels. The federal budget for 2010 allocated 1bn on subsidies to reimburse interest payment on loans received in 2009 – 2011 and used for technical modernization (together with companies producing equipment in other sectors, such as combines and agricultural equipment, gas and oil equipment). The federal budget allocated about 50m roubles on several pilot projects to reform the wood-processing industry. The timber industry received a subsidy covering partial reimbursement of loans for the creation of intra-seasonal supplies of wood, raw materials and fuel (650 million roubles), and other subsidies to Russian enterprises to the amount of 3 billion roubles in 2011.

- By Government Decree No. 690 of 20 August 2009 Russian airlines received ¾ compensation of their lease payments for Russian aircraft and ¼ of their interest payments on credits in
roubles, obtained in 2002-2005 for purchasing Russian aircraft. The 2010 federal budget allocated 788m roubles to these needs. It also allocated 2.5bn roubles to subsidies discounts for passengers on flights from the Far East in the European part of Russia and back; 5bn roubles subsidies to airlines for reimbursement of their income shortfall caused by denied flight licenses (Federal Law No 308-FZ). In 2011, a subsidy of 0.9 billion roubles was granted to aircraft (incl. helicopter) manufacturers for partial reimbursement of interest on bank loans used for technical modernisation and leasing payments and a subsidy of 1.53 billion roubles was granted to Russian firms purchasing Russian airplanes for use by Russian airlines. Furthermore, also in 2011, Russian producers of aircraft engines received similar support to the amount of 289 million roubles in 2011 and other transport companies in the transport engineering sector received support (partial bank loan reimbursement) for technological modernisation purposes to the amount of 1.5 billion roubles. Similar support was also granted in 2011 to transport, shipping and fishing companies for partial reimbursement of payments under leasing contracts to acquire civil ships manufactured by Russian shipyards to the amount of 70 million roubles.

- For 2010, the Government adopted a plan for industry support during the economic crisis, covering a total amount of 195 billion roubles (€4.6bn). The plan's priorities included support to systemic companies (40 billion roubles), purchases of vehicles for the public sector (20 billion roubles), and support to the housing and utilities sector (15 billion roubles). For enterprises of textiles industry, which used bank loans for modernisation purposes, the amount of subsidy in 2011 reached 250 million roubles.

- The Doctrine of food security of the Russian Federation (approved by the Presidential Decree No. 120 of 30 January 2010) established criteria for Russian food security in the form of minimal market share of domestically produced food products (for grain – at least 95%, sugar – at least 80%, vegetable oil – at least 80% (up from current 58%), meat and meat products – at least 85% (up from current 66%), milk and dairy products – at least 90% (up from current 82%), fish and fish products – at least 80% (up from current 63%), potato – at least 95%, and dietary salt – at least 85%). The Government planned to spend annually more than 100bn roubles on subsidies to the agriculture sector to achieve these import-substitution goals (in 2010, the Government allocated 107.6bn roubles on the implementation of state programme of support to agriculture).

- In the first quarter of 2012, the government approved the program for the development of the coal industry until 2030. The total amount of financing under the program amounted to 3,700 billion roubles, including 251.8 billion roubles of budget funds.

- President-elect Putin announced a number of measures aimed at supporting the domestic shipbuilding industry. The state program "Development of shipbuilding industry up to 2030" was approved by the Government in April 2012. There were two parts of the program – civil and military. The latter was not disclosed. Total funding for the civilian part was 605.3 billion roubles, of which 337.9 billion roubles are from the federal budget. Support to the shipbuilding industry was confirmed during the 19 October 2015 State Council meeting. In the coming months, ministries will make proposals to the Duma and after discussions and approvals; these proposals will go into Russian legislation.

- The Ministry of Agriculture presented a draft strategy on the development of food processing industry until the year 2020 (Resolution 559R of 17 April 2012). Total investments in the industry in 2013-2020 were estimated at 777.8 billion roubles. From the federal budget the food industry receives funding in the framework of the state program "Industry development and improvement of its competitiveness" (the state program was approved by the Government resolution N 997-p of 19 June 2013).
The State program for the development of agriculture and regulation of markets of agricultural products, agricultural raw materials and food in 2013 – 2020 (approved by the Government Decree No 717 of 14 July 2012) envisages the allocation of RUR 1,509,745,406.93 (around €37 million) for its implementation. The Government expects that the share of domestically produced agricultural products in Russia's total resources of agricultural products would by 2020 amount to: 99.7% for grain, 88.3% for meat, and up to 90.2% for milk and dairy products. In this context, by resolution N 1432/2012, the Government introduced a programme of subsidies to local manufacturers covering 15% of the wholesale price. The resolution establishes localisation requirements in order to qualify for the subsidies, namely a set of manufacturing/technical operations to be performed in Russia.

On 27 December 2012, Russia has adopted a subsidy programme that includes specific subsidies to the producers and consumers of farm equipment and agricultural machinery, to which the Russian manufacturer of grain harvesters (“Combine Plant Rostselmash”) has preferential access. This subsidy programme includes the following instruments:

- Regulation N°1432 (of 27 December 2012, amended by Regulation 728 of 30 July 2014) which provides subsidies for manufacturers (up to 15% of the selling price, increased, by Decree of 4 June 2015, to 25% and even 30% if agricultural producers are established in Crimea) under local content condition;
- Regulation N°908 (of 11 October 2013) which provides subsidies to purchasers (farmers) of agricultural machinery (up to 15% discount of the purchase price) if a certain minimum level of localisation is respected (it seems, however, that, due to lack of funds, this kind of subsidies have not yet been disbursed).
- Financing provided by Rosagroleasing bank for the purchase of combine harvesters produced by only two local manufacturers, i.e. Rostselmash and KPC (in practice only by the first one). Rostselmash is subsidized by the Federal budget to cover R&D costs within a project aimed at developing a unified platform for all its grain combine harvesters. Thirteen other producers of combine harvesters in Russia do not have access to these subsidies.

Government Resolution N°5 of 3 January 2014 approved the Rules for granting federal subsidies to chemical producers for the reimbursement of their expenses relating to the payment of interest rates on bank loans in 2014-2016 that were intended for investment projects under the State Program 'Development of industry and enhancement of its competitiveness'.

Resolution No.305 of the Russian Government of 15 April 2014 established a new version of the State Program - 'Development of Pharmaceutical and Medical Industries' for 2013–2020. The Program for 2013-2020 contains four sub-programs, including the federal target programs: 'Development of Medicines Production'; 'Development of Medical Goods Production'; 'Improvement of State Regulation in the Area of Circulation of Medicines and Medical Goods'; and 'Development of the Pharmaceutical and Medical Industry of the Russian Federation for the period of up to 2020 and further'. By 2020, the following results are expected to be achieved: - 7 times increase of the share of high-tech products in the total production of pharmaceutical and medical industry compared to 2011; - up to 50% increase of the share of domestic medicines in total consumption (in monetary terms); - up to 40% increase of the share of domestic medical goods in total consumption (in monetary terms); - increase in exports of medicines and medical products up to at least 105 billion roubles; - 50% increase of the share of enterprises engaged in technological innovation in the pharmaceutical and medical industry in the total number of producers. The total state financing of the Program is foreseen to reach ca. 100 billion roubles. The Resolution foresees that legal acts are further
enacted to organize support to domestic manufacturers of pharmaceuticals and medical devices, and to guarantee preferences in public procurement for those domestic producers, including promoting the localization of production. Preferences will also be given to producers of pharmaceutical devices from Belarus and Kazakhstan, members of the CU.

- Resolutions of the Russian Government N°29, 30, 31, 32 of 15.01.2014 (as amended on 02.04.2014) set a subsidy scheme from the federal budget to Russian manufacturers of wheeled vehicles under the State program "Development of industry and enhancing its competitiveness" for compensation of part of their expenses for the maintenance of jobs, for expenses related to the production and support of warranty in respect of wheeled vehicles that meet the standards of Euro-4 and Euro-5, for part of the cost of use of energy resources by energy-intensive enterprises of the automobile industry, and for part of the expenses for realization of research and developmental works and testing of wheel vehicles.

- Russia has adopted several subsidy schemes for the automotive sector since January 2014 when the recycling fee, adopted in 2012 and applied to imported vehicles, was extended to locally produced cars. These subsidy schemes all contain local content requirements, which exclude car manufacturers that import to Russia from the beneficiaries:

  o By Decree 1433 of 20 December 2014 setting "Rules for providing subsidies from the Federal budget to Russian producers of wheeled vehicles for the compensation of part of the costs related to the production of wheeled vehicles in the framework of the sub-programme "Automobile industry" of the governmental programme "Development of industry and increase of its competitiveness" (amended by Decree N° 244 of 18 March 2015), the Russian government has put in place since September 2014 a subsidy scheme for the car sector presented as a scrap premium programme (extended for 2015). Manufacturers shall put in place their own programs for used cars in order to benefit from this subsidy. However no legal link is made between the subsidy and the recycling of old cars. Benefitting from this subsidy scheme is conditioned on the respect of local content requirements.

  o Russian government Resolution N° 364 of 16 April 2015 sets a program of preferential car loans for purchasing domestically produced cars. A new state programme of beneficial car loans, valid until the end of 2015, entered into force on 1 April 2015. The Ministry of Industry and Trade will compensate the interest rate cost (9.33% or 2/3 of the Central Bank rate) on car loans.

Saudi Arabia:

- Five year development plan (2009-2013) of almost US$400 bn was adopted in July 2010 and includes overhaul Jeddah international airport, railway line east-west Jeddah-Dammam, 10 new desalination plants, new construction of water supply and sewage systems.

- Saudi King Abdullah bin Abdul Aziz enacted on 2 August 2013 a number of development projects with a total value envelope of 81 billion USD for the Royal Commission for Jubail and Yanbu (RCJY, which runs the country's two main industrial development areas), Saudi Aramo (the state oil company) and Saudi Arabian Basic Industries (SABIC, a global player in plastics).

- The government created a new "Saudi Arabian Company for Industrial Investment" on 24 March 2014 with a capital of 533 million USD with the task to support the conversion industries that rely on petrochemicals, plastics, fertilisers, steel, aluminium and basic industries in order to that achieve further economic diversification.
• In December 2015, the Saudi government announced planned privatisation of key businesses in Saudi, namely Saudi Aramco. The details (whether the privatisation concerns Aramco fully or only subsidiaries), and timeline of this measure have not been communicated.

South Africa:

• The Automotive Production and Development Programme (APDP) will replace the Motor Industry Development Programme (MIDP) in 2013 with a shift from an export based incentive to a production-based incentive scheme. Under the APDP (with implementation on 01 January 2013), the authorities introduced a new refund item 537.03, and rebate item 460.17; amended refund item 536.00/00.00/01.00 to clarify the application of this item to original components (automotive components) as provided for in Tariff Chapter 98. (Notice R.1088); substituted rebate items 537.02/87.00/01.02 and 460.17/87.00/03.02 to extend the period for the issuing of productive asset allowance certificates up to 31 December 2015. (Notices R.249 and R.248).

• On November 2015, South Africa announced that it would extend support to the motor industry once the incentive-based automotive production and development programme (APDP) expires in 2020. Delays in announcing the results of a programme review had caused fears that the policy stability, which has attracted substantial foreign investment in recent years, might be under threat. Since the introduction of the APDP in 2013, manufacturers had to build at least 50,000 units annually before they could access benefits through the volume assembly allowance. They currently receive import-duty credits worth 18% of the ex-factory price of all production. From January next year, the government has announced that the allowance will now be offered on a sliding scale, starting at 10% for 10,000 units and rising to 18% for 50,000.

• On 04 April 2013, the Minister of Trade and Industry launched the Industrial Policy Action Plan (IPAP) 2013/14 to 2015/16. The IPAP serves to outline the Government's initiatives to accelerate the industrialisation of the economy as well as to support and strengthen certain interventions for domestic industrial development. The Minister of Trade and Industry on 07 April 2014 launched the sixth iteration of the Industrial Policy Action Plan (IPAP).

The Special Economic Zones (SEZ) Bill was introduced in the National Assembly on 05 March 2013 and the explanatory summary of the Bill was published in the Government Gazette of 01 March 2013. A SEZ is an economic development tool which serves to promote industry development by using support measures in order to attract targeted foreign and domestic investments and technology. The Bill indicates that the Minister may determine and implement support measures, and administer support measures or other support programmes.

• A new act on Special Economic Zones was issued in 2014 (Act No. 16 of 2014), however, unlike other SEZ in other developing countries, the South African model of incentives will not entail the suspension of any law of the country. Businesses and Operators operating within a Special Economic Zone may be eligible for the following incentives: Preferential 15% Corporate Tax, tax relief in regards to the building allowance and employment tax incentive, additional tax relief if they form part of a Customs Controlled Area, as well as a 12I Tax Allowance. The SEZ Act envisages public private partnerships in the development and operation of these zones. SEZ guidelines for these incentives are currently being finalised. Ten potential SEZs have been agreed upon and have been subject already to technical feasibility studies but are awaiting long-term economic feasibility studies, designations are scheduled for 2016. The government is also currently in the process of establishing the One Stop Shop Model for South African SEZ's. Notwithstanding, operators that have registered as SEZ operators are already eligible for rebates. For example, goods of any description imported by a registered SEZ operator for use in the construction and maintenance of the infrastructure of a CCA (customs controlled area) in an SEZ gets a full rebate of duties (14 August 2015, Notice R.724)
For the time being there are currently five operating IDZs (Industrial Development Zones) in South Africa.

- The Manufacturing Competitiveness Enhancement Programme (MCEP) in complement with already existing multiannual funding (including a distressed fund, automotive programme; clothing and textiles incentive scheme and metal fabrication investment fund) brings total funding to be disbursed until 2015 to some R100bn. In addition, tax allowances under Section 12l of the Income Tax Act are also deployed to incentivise the expansion of productive capacity in the manufacturing sector. Tax allowances worth R4.5bn have been granted over a 15-month period since the inception of the scheme in 2010. Apart from funding support, efforts are also focused on realigning government and private procurement guidelines to increase purchases of local goods; and on-going developmental tariff reform (i.e. lowering tariffs or creating rebates on intermediates to lower the cost of inputs into manufacturing and selective duty increases to protect value-added manufacturing capacity). The MCEP has been extended in 2015 for a three year period with a budget of R5.8-billion.

South Korea:

- Green New Deal: In January 2009, the government announced the "Green New Deal", an ambitious project aimed at pushing a "low-carbon, green-growth" policy and spending 107 trillion won ($87 billion) on a variety of projects to reduce emissions and develop cutting-edge technologies and other areas. Key areas of green technologies that South Korea plans to focus on include solar cell, hydrogen fuel cell, wind energy, and light-emitting diodes or LEDs, which are used in making energy-efficient bulbs and other products. As part of efforts to push this project, in late April 2009, the MKE (Ministry of Knowledge Economy) announced the "2009 Plan on the Implementation of the New and Renewable Energy Technology Development, Utilization and Diffusion". In the press release, the MKE pointed to the problem with the increase in the number of imported products, underlining the Ministry's active engagement in installing and diffusing locally manufactured products for the government-sponsored large-scale projects. Furthermore, in this press release, the MKE clearly indicated that they would reinforce the certification standards for solar module and solar collector functions (6 product items), in order to "prevent the low-priced imported products surging and the resulting accidents occurring" and to "discourage the increase of imported products". In February 2011, the MKE announced (in its press release on 23/Feb/2011, entitled 'MKE scheme for the establishment of the renewable energy test beds") its mid-term scheme for selecting 5 test-beds and investing KRW 48 billion from 2011 to 2013 in their infrastructure and facilities, for the purpose of the prior verification and assessment of new green technologies. In March 2011, the MKE unveiled its scheme for fund raising of KRW 100 billion to support fostering of "Global Star Enterprises" in the field of renewable energy, as a follow-up measure to its earlier announcement of the "Development Strategy for Renewable Energy Industry" on 10 October 2010. The MKE also signed with some leading enterprises (including both large enterprises and SMEs) concerning financial institutions a MoU on Renewable Energy Shared Growth Guarantee Fund. The MKE planned to invest KRW 3 trillion of the development of core technologies and strategic R&D over the next 5 years, under the so-called "Triple 15 Strategy" of achieving 15 % of the world's market share until 2015 in solar and wind energy sectors.

Shipbuilding and Marine Industry: In February 2009, the Ministry of Knowledge Economy (MKE) submitted a plan to the National Assembly which indicated the possibility of providing support measures to the troubled local shipbuilding and automotive industries, on the condition that they reduce production costs through restructuring. In April 2009, the government announced a massive package program to assist the shipbuilding industry. Total amount of KRW 9 trillion would be provided to "excellent shipbuilding companies and their partners". In July 2009, the state-owned Korean Asset Management Corporation (KAMCO)
started the implementation of a sale-and-leaseback scheme for Korean shipping companies. Participating companies improve their liquidity position as they may sell and lease back part of their fleet. In the first round of this scheme, shipping companies successfully offered 62 ships to KAMCO. When business improves, the companies have the option to buy back sold ships. In addition, the Export Import Bank of Korea would provide loans of up to 4.7 trillion for the purchase of ships constructed by financially stricken local shipping companies. In March 2011, the Ministry of Land, Transport and Maritime Affairs (MLTM) announced the nation’s long-term vision for the marine industry. The MLTM set a policy goal of "making Korea become one of the most powerful marine nations in the world by 2020 as a means of accumulating the nation’s wealth", based on 4 strategies and 22 projects. The MLTM's long-term vision and the comprehensive schemes (relevant details also available in the MLTM public announcement in December 2010 entitled the "long-term development planning for the marine industry") encompass a wide range of the marine industry-related aspects, from the transportation to the marine plant services. Notably as regards the marine plant services, the MLTM said that they planned to foster the marine plant services in order to stimulate the growth of the shipbuilding industry. In November 2013, the Ministry of Trade, Industry and Energy (MoTIE) announced a scheme of investment invest by 2017 reaching 900 billion KRW in the development of offshore plant industry. This mid-term plan aimed at creating more than 10,000 jobs and retaining Korea's status as world's No. 1 powerhouse in the shipbuilding and maritime industry. Notably, the Ministry explicitly indicated in the press statement (Nov/13/2013) that in connection with this planning, the use of home-produced equipment would be further strategically promoted through various policy means (e.g. technological development, establishment of direct linkage with shipbuilders, use of performance/track records based on the tendering of state-owned enterprises, attraction of FDIs). In August 2014, the MoTIE affirmed its commitment to promoting the use of core-equipment domestically produced and to ship-financing in cooperation with the Export-Import Bank of Korea (KEXIM) and the Korea Trade Insurance Corporation (K-SURE), so that Korean yards would not have difficulty in winning new orders.

- Automobile Industry: The Korean government made a commitment to offering full support to help Korean firms secure about 10% of the global electric car market by 2015, since October 2009. The MKE targeted mass production of electric cars from 2011 instead of 2013 set earlier, by allocating KRW 400 billion (341 million dollars) between October 2009 and 2014 to support the development of high-performance batteries and other related systems. According to another public source, the MKE also planned to invest jointly with the private sector KRW 1.4 trillion in total for the battery plants for electric cars, so that Korea becomes the world's largest electric car manufacturing country, accounting for 40% of the world's total production in the long term. The government said it would help local Carmakers produce 1.4 million electric cars and export 1 million units by 2015, and produce up to one million electric cars by 2020. On the back of full support from the government, within a year, Hyundai displayed Korea's first electric car, the BlueOn. On 10 September 2010, Hyundai Motors, controlling more than 70% of the local auto market and also the world's 5th largest automaker (in terms of sales), promoted the first viewing of the car, the nation's first full-speed car. According to the local press, KRW 40 billion (approximately USD 35 million) was invested in the development of BlueOn over a one year period. Out of KRW 9.4 billion allocated for the R&D investment in the electric car production in 2010, the Korean government reportedly invested KRW 8.5 billion (90%) in automotive car parts producers (mostly small and medium-sized enterprises) engaged in the development of electric vehicle parts for BlueOn. According to the MKE press release dated 11 August, 2011, the Ministry started to embark upon the development of mid-sized electric vehicles from August 2011, as a follow-up to the announcement of the "MKE Green Car Industry Strategy" in December 2010. The MKE unveiled the scheme for investing KRW 70 billion in establishing the electric vehicle production system earlier than initially planned, in order to get ahead in the global market competition.
Support for SMEs: In November 2009, within the framework of the robust support plan for SMEs, the government announced a plan to develop and support 300 SMEs with high growth potential known as the 'hidden champions' into competitive global players by 2020. In July 2010, the Small and Medium Enterprises Administration (SMEA) designated 81 export-oriented SMEs as beneficiaries of the programme entitled "Promoting Globally Competitive Small Enterprises". Under this programme, those selected SMEs are to receive intensive supports entailing R&D, export financing and marketing overseas, with an aim of making them "global power-SMEs" with exports worth more than USD 50 million. In July 2010, the SMEA announced support measures for "green SMEs". In recognition of the significance of SMEs' role in green-growth industry sectors, the SMEA decided to support "green SMEs" specialised in core green parts/components and materials in various aspects, with the aim of nurturing up to 1000 "green SMEs" by 2013. The SMEA plans to expand the scale of policy fund and banking guarantee, and also to increase an investment fund in the area of green growth from KRW 105 billion in 2009 to KRW 1.1 trillion in 2013. In addition, the SMEA planned to select 200 green technologies developed by SMEs every three years and provide financial support in view of R&D. In August 2010, the MKE announced "Measures to Promote Green Certification", pursuant to Article 32 of the "Low-Carbon, Green-Growth Framework Act (effective from 14 April 2010)". This was mainly in order to specify the scope of products and technologies, etc. to benefit from various support measures. Such measures included financial support for green-certified companies, on a mid- and long-term basis. More specifically, it entails: extending loans for the purpose of disseminating new renewable energy; providing linkage to SME policy fund; intensive support for technology guarantee; support for export financing and insurance. In February 2011, the MKE said in its press release that it would reimburse 50% of the quality inspection and product certification fees (up to KRW 1 million) for green-certified SMEs. This was in order to reduce alleviate cost burdens incurred in the process of SMEs' obtaining the green certification. The MKE expected about 300 local SMEs to be certified as green and to benefit from this government's financial assistance programme in 2011.

R&D support for pharmaceutical industry: In 2009, the government identified biopharmaceutical and medical equipment as one of the future engine for economic growth. As a follow-up to the 2009 comprehensive plan for new growth engine, the government announced a series of sector-specific plans on creating or expanding funds in the short and the mid-term. For biopharmaceuticals, the government released "Measures on Strengthening of Competitiveness of Pharmaceutical" on 5/Feb/2010, saying that it would plan to create new drug R&D funds worth KRW 2 trillion within 5 years. In June 2010, a joint announcement was made by the Ministry of Education, Science and Technology, Ministry of Knowledge Economy and Ministry of Health and Welfare to invest 600 billion won in the 'Global New Drug Development Project'. In November 2010, the MKE announced its policy scheme, entitled "Industrialisation Strategy for Global Exports of Biosimilars". The MKE planned to invest KRW 6.5 billion until 2014 in the pilot project to establish infrastructure for clinical testing and drug production, ultimately enhancing the global competitiveness of Korea's biosimilars and promoting their exports. Equally on the back of substantial investments worth KRW 6.5 billion until 2014 by the Korea Bio Industry Association, et al., the MKE expected to produce biosimilars USD 20 billion (22% of the world's market share) after 2020, with the exports worth USD 10 billion and the employment of 120000 people. On March 30 2011, the Special Act on Fostering and Supporting Pharmaceutical Industry was enacted and would become effective on March 31, 2012. The Ministry of Health and Welfare in charge announced that new legislation aimed to establish a solid basis for the development of the pharmaceutical industry on the back of systemic R&D promotion and support measures, innovation-enhancing scheme, and strengthening of international cooperation. According to the MoHW press release dated 6/Jan/2012, the Ministry announced a "comprehensive scheme for enhancing the competitiveness of pharmaceutical industry 2012". As part of its planning, the MoHW said, "The Ministry will select “innovative pharmaceutical companies” which are competent to perform R&D." The Ministry will also pursue 4 key tasks, as regards drug
pricing, tax, financing and R&D, and improve the infrastructure. In particular with respect to tax, the Ministry clearly indicated, "In order to expand the corporate R&D and the facility investment, the scope of tax reductions will be widened or adjusted." The Ministry is supposed to review together with the tax authorities measures to relax some specific conditions for obtaining preferential (tax) treatments given to the company, in case of the corporate M&A.

- **Semiconductors Industry**: On 9 September 2010, the MKE announced its scheme for providing financial support (up to KRW 1.7 trillion, including investments from private sector) for R&D of the domestic semiconductors industry. This is specifically in order to develop the nation's "core system semiconductors and equipment" into the competitive export item in the global market by 2015. The scheme includes fund-raising up to KRW 150 billion involving the government and the semiconductor companies. In September 2011, the MKE, in cooperation with Samsung Electronics and Hynix Semiconductor, created a 1.35 trillion won Semiconductor Fund. In March 2012, the MKE announced its planning to "actively support the semiconductors industry" in 2012, by providing financial support worth KRW 1.15 trillion for: R&D investment; human resources development; assessment of SME product function and support for their exportation. The MKE scheme also entailed the support for the Semiconductor Fund, and for the establishment of semiconductors industrial clusters.

- **Steel Industry**: On June 10, 2011, the MKE announced its "strategies for upgrading steel industry" to overcome its weakness in high-end products manufacturing. As part of its broad range of measures, the MKE would select 30 steel products based on its consideration to their respective industrial impacts, which will be gradually subject to the nation's intensive care and fostering planning for the purpose of quality upgrading. In addition, the MKE would provide financial support worth KRW 100 billion in total until 2019, with the aim of manufacturing of the world's best eco-friendly smart steel plates under the "World Premier Materials" project. Particularly in order to achieve a "Green-Steel Industry" in Korea, the MKE would provide KRW 150 billion, accounting for 54% of the total R&D costs, possibly from 2012 for 8 years, to develop CO2-free technologies for steels.

**Taiwan**:

- In December 2011, Taiwan announced a number of initiatives for its DRAM, LED and solar industries:
  - **Financial support**: the Bankers Association, an industry organisation established by law, following the request from Financial Supervisory Commission (FSC), passed a proposal on 9 December 2011 with three measures: (1) Extending loan periods: firms are allowed to receive payment extensions after securing approval from banks that account for two-thirds of their credit. The relaxed loan extension rule will remain in effect until June 2012. (2) Stock borrowing: companies, which used their stock as collateral for loans, are entitled to negotiate their credit or agreements when the prices of stocks are falling. (3) Extending mortgage period: due to lay-off or the closure of companies, non-voluntary unemployed labours are entitled to apply for extending mortgage period. Following this the more than 6 billion USD debt for a major Taiwanese information and communications technology (ICT) company was rolled over at lower than expected interest rate.
  - On 6 December 2011, MOEA announced that it would inject US$5 million into a joint project, with a total investment of USD15 million, between Intel and the Industrial Technology Research Institute (Industrial Technology Research Institute (ITRI), a government institute) to develop next-generation DRAM technologies. The project would enable Taiwanese PC DRAM chipmakers to produce more value-added chips utilizing existing technologies and would not require a major investment in new equipment.
LED industries: on 14 December 2011, Industrial Development Bureau of the Ministry of Economic Affairs announced its intention to help domestic LED industries in R&D by investing more than NT$2.5 billion (USD 83 million) and creating more than 500 job opportunities.

Solar industries: on 13 December 2011, MOEA announced its intention to assist the Taiwanese solar industry in participating international bids by setting up solar factories abroad. The potential places might be located in Middle East, Eastern Europe and Southeast Asia. Taiwanese companies have expressed their interest.

- On 27 December 2011, the Bureau of Energy of the Ministry of Economic Affairs of Taiwan published a subsidy scheme for consumer purchasing certain Made in Taiwan energy saving household appliances in the period 1 January-31 March 2012 (of 2000NTD (about 50EUR) subsidy per purchase). Concerns regarding this measure had been raised in the WTO by EU and other members. As a result, a similar second subsidy scheme for energy efficient household appliances has not been limited to "Made in Taiwan" products.

- In the "Regulations Governing Permission of Trade Between Taiwan Area and Mainland China" issued on 1 July 1996, Taiwan takes a "negative-list" approach to imports from Mainland China. All imports of the products on the list are prohibited unless indicated otherwise. Of the allowed imports, a part is subjected to additional conditions. Chinese imports for export processing are not prohibited. Taiwan does not adopt the same approach to any other trading partner.

- On 4 December 2014, Ministry of Finance announced the tightening of the commodity tax benefit scheme for hybrid vehicles. Hybrid cars that meet the following four criteria (cumulative) could enjoy a 50% off commodity tax benefit: 1. After-tax-price under NTD1 million; 2. Displacement under 3000 cc; 3. Fuel consumption higher than 19 km/L; 4. Carbon emissions below 120 gr/km. Most of the imported hybrid vehicles, in particular those from the EU, do not qualify for tax benefits anymore, leading to higher sale prices. The scheme distorts the functioning of the market, putting EU car makers in a disadvantaged position.

Turkey:

- In June 2012, a new incentive package was adopted, which superseded the 2009 package. This new package sought novelties in addition to the former one. It entered into force retroactively, beginning from January 2012. It increased the regional categories from four to six zones, according to provincial socio-development index (instead of NUTS-II classification used by its predecessor). It also introduces the new category of "strategic investments" in addition to existing schemes (general, large and regional investments), as well as new instruments, "VAT refunds, support for employees’ social security premium contributions (in Region VI) and support for personal income tax (in Region VI)". Furthermore, the package supports investments in organised industrial zones (OIZs) with additional incentives to encourage clustering and technology creation. While large investments remain to be supported for the same sectors favoured as before (including automotive, chemicals, transit pipelines, electronics, and pharmaceuticals), incentives for "strategic investments" are clearly designed to reduce current account deficit, by employing an import substitution policy. This new package, together with the free zones regime (see below), remains one of several schemes in need of alignment with EU and Customs Union rules.

- On 6 August 2014, decree 2015/7496 modified cabinet decree 2012/3305 on the investment incentives package, thus providing the priority regional investments that reach or exceed a fixed investment amount of 1 billion TL with a reduction of corporate tax by ten percentage points more in addition to the Region V level of incentives.
Through the same decree, investments in the production of carbon fibre (or composite products including such fibre) were also added to the list of priority regional investments. The Cabinet further amended the 2012 decree on 5 March 2015 and extended the incentives in the sector of chemicals and chemical substances which were previously applicable in 21 provinces to 41 more provinces (excluding Istanbul) and included refined petroleum products as a sector to benefit from regional state supports (again excluding Istanbul). These changes may apply retroactively for those incentive certificates for which applications were made after 1 January 2012, upon request. On 16 March 2015, the cabinet adopted another modification to the 2012 decree, which was published on 8 April 2015. The new decree extended interest rate support for strategic investments to applications made until 31 December 2015 (previously the date was 31 December 2014). It also extended the duration of support to employer insurance premiums (investments having started until 31 December 2015 receive support for the duration previously provided for investments having started until 31 December 2014 and investments having started after 1 January 2016 will now receive support for the duration previously provided for investments having started after 1 January 2015). Further, the scheme was extended to provide higher incentives for early investments (initially defined as investments starting before 31 December 2014 and now as investments starting before 31 December 2015). This decree also amended article 17 of the 2012 cabinet decree, on priority sectors enjoying Region V level of incentives, even if they are located in Regions II, III or IV. It also added some items to the same list, including investments geared towards high-technology intensive production (according to the OECD definition) and mining exploration in addition to liquefied natural gas and underground natural gas storage investments with an amount to minimum TL 50 mln which were already included on 9 May 2014. The decree also abolished the minimum threshold requirement for all investments in the defence industry in this category. Besides, through a temporary clause, large scale, strategic and regional investments that are to be realised between 1 January 2015 and 31 December 2016 would benefit from income and corporate tax reductions on their earnings from their other operations. As regards regional investments, the decree reduced minimum investment thresholds for certain sectors including pharmaceuticals, radio, TV and telecommunication equipment, aviation vehicles repair and maintenance and office, accounting and IT equipment. (Also, natural gas based electricity generation investments can no longer be subject to the incentives scheme under any category unless these are modernisation investments reducing energy consumption by minimum 15% or where licenses were obtained from the Energy Market Regulatory Authority before 19 June 2012.) Another amendment on 27 August 2015 extended the scope of strategic investments. Accordingly, projects with a fixed investment of more than 3 billion TL will also be considered strategic investments. Incentives in such investment projects in the form of interest rate support cannot exceed 700 million TL. The last amendment on 19 November 2015 with decree 2015/8216 included among other priority investment areas the manufacturing of turbines and generators for generation of renewable energy and wings for generation of wind energy.

While free trade zones remain to be aligned, a government decision encourages investment, from early June 2011, in organised industrial zones (OIZs) by subsidising the allocation of land based on rates varying between 50 and 100%, depending on the type of region concerned. The system comprises four regions, categorised according to their level of socio-economic development. Over 250 OIZs are benefiting. On 10 April 2015, a Cabinet Decision was published extending the possibility of allocating land to OIZs without any charges or with partial charges for two more years as of 12 April 2015.

Decree-law no. 663, from November 2011, created a Directorate General for Health investments within the Ministry of Health. The DG’s duties include support foreign and local investment for developing and producing high-tech medical devices, products and services (article 13 f). Financial and other aid to the local industry is explicitly provided for, including
measures to support local R&D, to develop the local industry’s technological infrastructure, and to ensure the transfer of technology from abroad (article 50).

- The government adopted a decision in October 2012, which removed the cap placed on State support to social security premium contributions for investments made in region VI under the regional and large investment schemes of the 2012 incentives package. The initial decision provided for caps of respectively 50 and 15%. These caps have now been removed, while caps for regions I-V remained unchanged. As regards strategic investments made in region VI, premium support will no longer be limited to a given percentage of the amount of fixed investment (the limit is 15% for regions I-V).

- A decree from 15 February 2013, modifying the 2012 decree on incentives, includes in the category of “priority investments” in the motor vehicles sector, as well as investments in electricity production based on anthracite/hard coal and lignite (the latter with a view to reducing Turkey’s dependency on natural gas). Irrespective of the region where they are made, priority investments will benefit from levels of support normally given to investments made in the 5th region.

- A government decision published on 30 May 2013, amending the 2012 incentives package, removed item B.6, i.e. “Investments for coal extraction (excluding types “lower C” types of coal)”, from the list of investments that cannot be incentivised (Annex 4, I. to the cabinet decision of 15 June 2012). The new measure makes it possible to support investments in the production of high-caloric coal.

- The Money-Credit and Coordination Board issued two communiqués on 25 June, both based on Cabinet decree 94/6401 from 27/12/1994 on State aid to: exports of goods and services to selected foreign markets in the construction sector (providing that certain expenses incurred in the country and abroad by contracting firms and technical consultancy firms will be covered by the Support and Price Stability Fund (DFİF), and to certain services generating foreign exchange earnings, i.e. education, health tourism, information technologies, and cinema (to increase the revenue from such services, and to increase their international competitiveness, it provides for DFİF to support part of the expenses relating to expense items such as market penetration, promotion and establishment abroad, certification, commercial and purchase-related delegation, and consultancy).

- Cabinet decree no. 2014/6217 published on 19 April 2014 (Official Gazette no. 28977), made the Treasury become the guarantor of private companies carrying out build-operate-transfer projects. Under article 4(2) of the decree, the Treasury should take over the entire debt of these firms in case of dissolution due to events not arising from their negligence, and 85% of it in case of dissolution due to their negligence.

- The Ministry of Science, Industry and Technology published on 29 April 2014 a regulation on support to investments relating to technological products (Official Gazette no. 28986). This regulation lays down the principles and procedures applicable to the support to investments in products made by physical and legal persons established in Turkey. The support would target investments, among others, in technological products resulting from industry-related projects having already benefited from public support.

- The government adopted the 23rd amendment to the decree 94/6401 on state aid related to exports. Accordingly, programmes which aim at improving the foreign trade balance can also benefit from state aid along with R&D programmes whereas a clear definition of "programmes improving foreign trade balance" was not provided.
United States:

- On 30 March 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010 that closed the supposed tax loophole for black liquor provided in the CBPC. It was planned to enlarge the scope of the US fuel tax credit, which related to a tax credit designed to promote the use of alternative fuels, expanded in 2007 by the US Congress. US $0.50 gallons were supposed to be offered to firms that blend renewable fuels, such as ethanol, with traditional fossil fuels, such as diesel. By mixing a small amount of taxable fuel (diesel) into the 'black liquor', US companies that produce pulp through the kraft chemical process would qualify for funding. Payment of those subsidies started in March 2009. From a Memo No. AM2010-002 from the U.S. Internal Revenue Service (IRS), it emerged that black liquor producers could qualify for a higher tax credit by registering as cellulosic biofuel producer and get USD1.01/gallon for the volumes of black liquor produced in 2009. The companies could retroactively claim this USD1.01/gallon biofuel tax credit instead of the USD0.50/gallon credit for alternative fuel mixtures. Current legislation in force, Tax Relief, Unemployment Insurance Reauthorisation, and Job Creation Act of 2010 (H.R. 4853) renewed the Alternative Fuel Mixture Credit yet effectively removed black liquor fuel as an eligible fuel. During negotiations for a multiyear US transportation bill, an attempt was made in the Senate to eliminate the "black liquor" tax credit through an amendment to the legislation as a cost savings measure, but the proposal and the legislation failed to pass the Senate. Retroactive payments are no longer due, although companies continued to receive "hangover" benefits as recently as 2013 (most notably, International Paper recognized an income tax benefit of $753 million). Although we are not aware of any companies claiming the benefits of the credit in 2014, this seems not to be precluded.

- On 22 May 2009, the United States Department of Agriculture (USDA) presented a 'Dairy Export Incentive Program' for the period from July 2008 through 30 June 2009. The programme is equivalent to the US WTO commitments for agricultural export. Some countries and regions will be excluded from the programme and quantities may be limited depending on the budget. USDA's Foreign Agricultural Service is in charge. The programme originally was introduced in 1985 and was reauthorized by the Food, Conservation and Energy Act of 2008, the so-called 'Farm Bill'. The programme has been extended for the period July 2010 – June 2011 and the beneficiary products are non-fat fry milk, butterfat and various cheeses. While the programme officially lapsed, applications were still being accepted to distribute the remainder of funds.

- On 25 March 2010, a proposal for a bill was tabled, to extend for five additional years the existing subsidies and protection for US ethanol. The bill would extend three measures, the Volumetric Ethanol Excise Tax Credit, the Small Ethanol Producers Tax Credit, and a special tariff on imported ethanol. It would also extend the Cellulosic Ethanol Production Tax Credit for three years. Current legislation in force, Tax Relief, Unemployment Insurance Reauthorisation, and Job Creation Act of 2010 (H.R. 4853) renewed the Alternative Fuel Mixture Credit but effectively removed black liquor fuel as an eligible fuel. The Volumetric Ethanol Excise Tax Credit, Small Ethanol Producer Credit, Biodiesel Tax Credit, Small Agri-Biodiesel Producer Credit and Renewable Diesel Tax Credit, administrated by IRC, expired in December 31, 2011. However, as part of a package of tax extenders passed in 18 December 2015 (HR 2028), which includes a two-year extensions of several tax credits that benefit the bioenergy sector, the US$1 per gallon blenders tax credit for biodiesel and renewable diesel tax credits were reinstated retroactively back to January 1, 2015 and through December 31, 2016.

- The package of tax extenders also extends the second-generation biofuel production credit through January 1, 2017. The credit allows facilities producing cellulosic biofuels to claim a $1.01-per-gallon production tax credit. In addition, the bill extends the special allowance for second-generation biofuel plant property through January 1, 2017. The
alternative fuels excise tax credit is also extended through the end of 2016, along with the credit for alternative fuel vehicle refueling property. The tax extenders package also benefits biomass power with an extension of the Section 45 production tax credit (PTC). The PTC for wind has been extended through December 31, 2019, with the credit for other technologies extended for two years, through December 31, 2016. The incentive amount for wind, geothermal, and closed-loop biomass is $0.023 per kilowatt hour. For other eligible technologies, including biomass, municipal solid waste, landfill gas, others, the credit is $0.011 per kilowatt hour. In general, the duration of the credit is 10 years after the placed-in-service date of the facility.

- On 9 November 2013, Washington State adopted new legislation extending the state’s aerospace tax incentives through 2040. These incentives are estimated at USD 8.7 billion, the largest targeted state tax incentive for the civil aerospace industry in the history of the United States. In December 2014, the EU requested WTO consultations on this issue with the US, and a WTO panel was established in February 2015.

V.2. Other measures, non-classifiable

Canada:

- Canada has initiated a number of programmes designed to lessen competition from imported products and thereby addressing potential challenges to Canada's dairy supply management system. These include:

  o 'The ice cream initiative', in which Canadian dairy producers instituted in 2009 a CDN 13$ million/year programme to encourage Canadian dairy processors to use 100% Canadian dairy products in the manufacture of ice cream, instead of imported products, including imported butter-oil blends. The programme will give dairy processors a rebate on their cost of buying Canadian milk products.

  o A new special class of milk pricing (class 4m), which grants Canadian processors raw milk at subsidised prices well below international market levels for the processing of milk protein concentrates designed specifically for use in the manufacturing of cheese, thereby encouraging processors to use domestic product over imports.

  o A new special foodstuff class (class 3(d)) for "shredded or diced mozzarella in bags of 2.27 kilograms or more to be used by restaurant operators only on fresh pizzas", effective as of 1 June 2013. This new special class translates into an incentive (subsidy) of about CDN $25 million/year to Canadian restaurant operators making fresh pizzas and is intended to address primarily imports of frozen pizzas and fresh pizza kits from the US.

China:

- Competition enforcement (Anti-Monopoly Law) is relatively new in China (6 years) but its application has accelerated in an un-transparent manner over the reporting period. The perception of a focus on foreign companies, allegations of insufficient objectivity in investigations and of the introduction into proceedings of issues extraneous to genuine competition considerations have emerged. This has a serious potential of affecting investment and business activity of foreign companies. The NDRC is currently drawing up competition norms. It has announced the revision of the Anti-monopoly law (AML). It is also working on six guidelines (IPR, auto sector, leniency, exemption, suspension of investigation and fine calculation). The guidelines will be passed by the Anti-monopoly Commission of the State Council in 2016. On IPR, guidelines from SAIC are operational but limited to non-
pricing antitrust cases. For the automotive industry, the guideline will cover compliance issues in the vehicle sales and after-sales service markets. Meanwhile, the standards-setting agency should soon publish four sets of service standards governing the auto aftermarket.

- The foreign business community in China continues to be concerned about laws on state and commercial secrets. While foreign companies seek to ensure that they fully comply with Chinese laws in all their activities, the 2014 version of the Implementing Regulations on the Protection of State Secrets has been disconcerting to foreign investors as no clear scope thereof has been determined. The law features a lack of sufficient legal certainty to determine that companies comply with such regulations. Serious concerns have also emerged that trials relating to state secrets are not conducted impartially in open courts.

Indonesia:

- Ministry of Trade Decree 19/2009 requires electronics and telecommunications producers to have six service centres in Indonesia. Utilization manual and warranty cards are required to be in Indonesian language. The decree has been in force since 26 August 2009.

- On 14 January 2015, Minister of Manpower issued three regulations on the limitation to use Foreign Workers, with effective date of implementation 14 January 2015:
  - Agriculture, forestry and fisheries: subsector animal husbandry (Minister of Manpower Regulation No.12/2015)
  - Selection and placement services for domestic workers (Minister of Manpower Regulation No.13/2015)
  - Manufacturing industry: sub-sector Furniture (Minister of Manpower Regulation No.14/2015)

- On 23 October 2015, Ministry of Manpower adopted the Regulation 35/2015 on Employing Foreign Workers, as a revision to Reg. 16/2015, removing requirement to acquire temporary Employment Plan (RPTKA) and Work Permit (IMTA) for foreign workers visiting Indonesia to give lecture and/or participate in an event. However, temporary IMTA and RPTKA are required for audits, commercial movie production, work related to machinery installation, electrical, after-sales service, or products under business exploration stage. Further, Domestic Capital Investment Company (PMDN) cannot employ foreign worker as a Commissioner. The requirement to absorb 10 local workers for employing 1 foreign worker was removed. Nevertheless, the obligation for foreign workers to be able to speak Bahasa Indonesia remains unregulated.

- Draft Law on prohibition of production, sales, purchasing and distribution of alcohol has been re-submitted before the Parliament for adoption in 2015.

Japan:

Loan program for foreign firms

- In February 2013, the Japan Bank for International Cooperation (JBIC) launched a new loan program for foreign firms that buy infrastructure-related products made by the overseas subsidiaries of Japanese companies. Under the new lending scheme, the JBIC will finance efforts by foreign companies to source products such as electronics, construction machinery and other goods needed for infrastructure projects, all made by the overseas units of Japanese firms.
Japan Revitalization Strategy 2014/Hometown specialty support

• According to the "Japan Revitalization Strategy 2014" the government will, among others, implement: “Hometown specialty support” led by regional small and medium-sized enterprises and nurturing strategic industries led by regional medium-sized enterprises composed of (1) the development and commercialization of “hometown specialties”. Use of regional resources, including tourism resources and agriculture-forestry-fishery goods, will be promoted with consideration given to the viewpoint of consumers; (2) industrial, academic, government and financial sectors, which will cooperate to support research and development, commercialization, sales channel development and overseas expansion to nurture regional strategic industries. Also, on the basis of this Strategy (Cabinet decision on 14 June 2014), the Shoko Chukin Bank established the "Global Niche Top Support Financing Scheme” on 1 April 2014 to support overseas development of SMEs. Initially, 13.5 billion Yen was budgeted for FY 2014, topped up with 4 billion yen through METI’s FY 2014 supplementary budget. For FY 2015 METI secured a budget of 1.61 billion yen and is asking for 1 billion yen for FY 2016 budget.

Malaysia:

• The Price Control Anti-Profiteering Act 2011 (PCAP) was passed in an effort to alleviate concerns among Malaysian consumers to ensure that local traders and suppliers would not unreasonably increase the prices of goods and services in anticipation of the introduction of the Goods and Services Tax (GST) regime in Malaysia.

  The PCAP makes it an offence to profiteer and seeks to protect consumers from unreasonable price increases in goods and services. To this end, the PCAP permits the Price Controller to impose a maximum, minimum or fixed price for the manufacture, production, wholesale or retail of any goods or classes of goods, including charges for services in relation to such goods. Any prices determined under the PCAP must include all government tax, duties and any other charges.

  The PCAP empowers the Minister of Domestic Trade and Consumerism (MDTCC) to prescribe the formulation to determine whether profit is unreasonably high by taking into account factors such as supplier’s costs, market supply and demand, conditions of the geographical or product market and corresponding imposition of any taxes.

• The Price Control and Anti Profiteering (Mechanism To Determine Unreasonably High Profit) (Net Profit Margin) Regulations 2014 (Regulations 2014) was passed on 26 December 2014. The Regulations 2014 specify that the period for the determination of unreasonably high profits is from 2 January 2015 up to 31 March 2015 as well as from 1 April 2015 up to 30 June 2016. During these periods, there must be no increment in the net profit margin of any goods or services.

  The Regulations 2014 provide a formula to determine whether there has been an increment in the net profit margin of any particular goods sold or offered for sale, or services supplied or offered for supply within the period from 2 January 2015 to 31 March 2015 and from 1 April 2015 to 30 June 2015. This is subject to monitoring by the MDTCC.

• In the years 2014 and 2015, Malaysia has introduced several Price Control and Anti-Profiteering (Determination of Maximum Price) Measures, which establish maximum prices at the producer, whole and retail level for a number of products, including specifically imported products. (Orders 2014 (N04 and N05) published on 18 July 2014 and 17 October. Orders 2015 (N03 and N05) published on 13 February, 21 May and 6 July 2015.)
The Control of Supplies Act of 1961 provides for the control and rationing of supplies of controlled articles. It is intended to ensure an adequate supply of essential goods such as sugar and flour by prohibiting hoarding or refusal to sell controlled goods.

From July 2014 until December 2015, Malaysia has introduced the following control of supplies related measures:

- (No. 3) Order 2014. It includes a number of articles under the Control of Supplies Act for the period from 14 July 2014 to 9 June 2015, including specifically raw imported fruits. Published on 11 July 2014.

- (No. 6) Order 2014. It includes a number of articles under the Control of Supplies Act for the period from 23 December 2014 to 27 December 2014, including certain imported meat products. Published on 22 December 2014.

- Order 2015. It includes a number of articles under the Control of Supplies Act for the period from 14 February 2015 to 25 February 2015, including imported round cabbage. Published on 13 February 2015.

Mexico:

- 'Made in Mexico' campaign: In February 2009, the Mexican Ministry of Economy launched a made in Mexico campaign, in an effort to promote Mexican exports and increase internal consumption of Mexican-made products. The Ministry designed a specific logo and published a list of requirements to be met for the logo to appear on the product. The new Government which took office in December 2012 has maintained these measures.

Vietnam:

- The Law on Royalties (which was ratified on 25 November 2009 and entered into force on 1 July 2010), the National Assembly’s Resolution numbered 928/2010/UBTVQH12 (which was approved on 19 April 2010 and entered into force on 1 July 2010) and the government’s decree numbered 50/2010/ND-CP of 14 May 2010 guiding the implementation of the Law on Royalties (which was announced on 14 May 2010 and entered into force on 1 July 2010) make substantial amendments to legal provisions on royalties. Accordingly, metallic and non-metallic minerals, crude oil, coal and natural gas, products of natural forests, natural aquatic products, surface and underground water are all royalty taxable with effective royalty rates. There are following major amendments: (i) First, the Law on Royalties numbered 45/2009/QH12 of 25 November 2009 allows a much higher range of royalty rates, based on which the government shall fix practical royalties applicable for certain period of time. This range of royalty rates is on average three times higher than the previous rates depending on different types of natural resources (e.g. range of royalty rates for: gold increased to 9-25% from the previous 2-6%; iron & manganese rose to 7-20% from 1-5%; crude oil increased to 6-40% from the previous 6-25%; natural mineral water increased to 8-10% from 0-5% etc.). (ii) Second, the government sets higher royalty rates on practical application (e.g. royalty rate for: gold increased to 15% from the previous 6%; iron & manganese rose to 11% from the previous 5%; exploitation of more than 150,000 barrels of oil per day is charged with 29% instead of the previous 25%). Third, the government, under its Decree numbered 50, applied a new method for calculation of taxable price, i.e. the currently applicable taxable price is the selling price of a product unit of the natural resource by the entity exploiting it, excluding value added tax. In particular, the Decree 50 provides that the taxable price for exported natural resources is the export price (Free-on-board price) while, under the previous legislation, royalties were calculated based on the reference to the price paid at the place of exploitation. This currently applied calculation method make actual royalties higher because
all costs including those for transport, concentrating, refining and insurance are subject to royalty tax.

VI. MEASURES ROLLED BACK

Algeria:

- The authorities published a new reduced negative list with 1260 products, entering into force in February 2013, in the context of the Arabic Free Trade Area (ZALE).

Argentina:

- Decree 1192/2010 of 28 September 2010, adopting MERCOSUR Decision 25/2009, which temporarily increased import taxes on dairy products up to 28%, expired on 31 December 2011. As from that date, the applicable import tax for the concerned tariff lines is 16% (CC 0402.10, 0402.21, 0402.29, 0402.99, 0404.10, 0406.10 and 0406.90).

- Resolution 1243/2011 introduced an export tax of 1% applied on a set of fish products (0304.19.19, 0304.19.90, 0304.29.10, 0304.99.00, 0305.49.90, 1604.19.00, 1604.20.90, 1605.90.00) which is a decrease from 10% to 2.5% and 1%.

- Decree 751/2012-PEN adopted on May 16th 2012 revoked fiscal and customs benefits which had been established for production and exports of oil and gas by Law 19640 back in 1972.

- On September 9th 2012, Argentina abolished the automatic licenses (‘LAPIs’) required for imports of 285 tariff lines through Resolution 505/2012 issued by the Ministry of Economy and Public Finance (MEPF).

- The temporary increase in import tariffs for certain toys allowed by MERCOSUR Decision Nº 37/11 and by transposing Argentine Decree 2149/2012 ceased at the end of December 2012.

- General Resolution 3448 of March 5th 2013 repealed reference values for exports of sheep skins (HS 4102.10 and 4102.29).

- On 28 April 2014, the Congress passed Law 26,932, which ratified the compensation agreement between the Argentine Ministry of Economy and the Spanish company Repsol regarding the expropriation of 51% of shares in YPF S.A.

- The following import licence requirements adopted between 2008 and 2011 were revoked by Resolution 11/2013:
  - Non-automatic import licenses for ovens and TV/video sets (Customs Codes 8516.60.00 and 8528.72.00, October 2008) and (November 2008) requirement for a Certificate of Imports (CIM) for metallurgical products, yarns and fabrics and footwear.
  - Non-automatic licenses for sensitive sectors (footwear, textiles, etc.) announced by the Government in December 2008 and licenses (the so-called "Certificado de Importación" or CIN) for imports of tyres announced in January 2009.
  - A list of merchandise subject to automatic import licenses (LAPI), including, for example, aluminium bars (as updated in February 2009 by the Government).
o The extension of the coverage of import licenses to 200 new product lines, including non-traditional sensitive goods (air conditioners, furniture, machinery, etc.) through Resolution 61/2009 of 4 March 2009.

o The import license requirement for 60 product lines, introduced on 14 April 2009, covering mechanical appliances, clothing, musical instruments, dye/paint and other manufactured products.

o The licensing requirement for imports of self-tapping screws and other types of screws and bolts (suspended for 30 days on 14 April 2009). Also as of 21 April 2009 it made licenses for imports of tyres mandatory only for final consumption purposes.

o The extension of the list of products requiring an import licence (by some 60 items, such as motor powered fans, vacuum cleaners and cotton textiles (Resolution 251/2009 of 13 July 2009, modifying previous resolutions on import licence requirements 444/2004, 343/2007, 588/2008, 589/2008 and 61/2009).

o The import licence requirement for some auto parts (5903.10.00, 5903.20.00, 5903.90.00, 6813.81.90, 6813.89.10, 8507.10.00 – those of more than 12 volts or 28mA, 8708.30.19 and 8708.93.00, introduced on 21 August 2009 through Resolution 337/2009).

o Import license requirements for stamps-photos, labels, ballasts and water pumps in place since 11 November 2009.

o Import licence requirements regarding trade & advertising material (4911.10.90), pictures-designs & photographs (4911.91.00), printed matter in general (4911.99.00) and electrical transformers (8504.10.00) that were reintroduced (after initial suspension on 8 September 2009) for 60 days by Resolution 61/2009.

o Import licence requirements (initially suspended through Resolution 29/2010) regarding tyres (HS 4011).

o Extension of the application of non-automatic licenses (NALs) to a list of 178 tariff lines (at 8-digits) including some cars, car parts, motorcycles, bicycles (and its parts), textiles, metallurgical products and some electronic products (Resolutions 45/2011 and 77/2011 of February 14 and March 9, 2011).

- As from February 1, 2012 Argentina imposed the obligation to submit a prior sworn importer declaration (known as 'DJAI') for every import operation before placing the purchase order abroad, through Resolution 3252/2012 issued by the tax and customs authority. Further Resolutions 1/2012-SCI and 3255/2012-AFIP defined the bodies that assessed the sworn statements, set the processing period between 3 to 15 days (without clarifying the procedure to follow in case of observations) and established exceptions to the regime. Finally, through Communication A 5274 the Argentine Central Bank added the DJAI as a requirement to acquire hard currency in order to pay imports abroad. The approbation of DJAI was conditional upon a number of non-written requirements (the so-called restrictive trade-related requirements), such as commitments to export, to limit imports, to substitute imports or price control requirements. The so-created system of administrated trade lacked transparency and was totally unpredictable. In 2012, the European Union asked to establish a WTO Panel to rule on the legality of Argentina's DJAI system. In January 2013, the WTO Dispute Settlement Body (DSB) established a single Panel to examine this dispute together with mirror cases launched by the United States and Japan. On 22 August 2014 the Panel ruled, among others, that the DJAI procedure was inconsistent with Article XI:1 of the GATT 1994, since it had a limiting effect on imports, and thus constitutes an import restriction. After being appealed by Argentina, the Appellate Body fully confirmed the ruling and on 2
July 2015 all parties informed that they had agreed on the reasonable period of time for Argentina to implement the DSB ruling, which expired on 31 December 2015. The DJAI system was revoked by General Resolution 3823/2015-AFIP of 22.12.2015. The WTO ruling on illegality of the DJAI system however applies only to importation of goods and does not tackle the issue of importation of services. On 31.12.2015 the prior sworn declarations for importation of services was therefore still in place.

- In April 2012 President Cristina Fernandez de Kirchner announced the expropriation of 51% of shares in YPF S.A. owned by the Spanish company Repsol S.A. Shares belonging to other Argentinean and international stakeholders were not expropriated. Law 26741 implementing the expropriation was adopted by Congress on 7 May 2012. By mid-2013, Repsol had not been given any compensation for the expropriation of these assets. On 28 April 2014, Congress passed Law 26,932, which ratified the compensation agreement between the Argentine Ministry of Economy and Repsol. The agreement was closed and the compensation paid.

- Decree 2112/2010-PEN of 31 December 2010 – Reintroducing the prohibition to import used garments (CC 6309.00) for a period of five years, expired on 31.12.2015.

- Communication "A" 5850 from the Argentine Central Bank lifted the restrictions for the acquisition of foreign currency in the local market for payment of imports of both good and services since the date of publication of this Decision (17.12.2015).

- Resolution 3819/2015-AFIP eliminated the 35% surcharge applicable to purchases of goods or services outside the country made by Argentine residents using credit or debit cards issued in Argentina, as well as purchases made in foreign currency through websites or through any type of Internet connection. It also eliminated the 20% surcharge on the acquisition of foreign currency (17.12.2015).

Belarus:

- The Decree 320 of 18 June 2009 'On temporary increase of import tariffs' enacted a temporary (9 months) increase of import tariffs on imported trucks (including tractors) to 25% for the new items and 50% for used items. The Government also eliminated temporary import tariffs on new, environmentally friendly trucks. (The Decree defined obligatory threshold levels of CO2, hydrocarbon and nitric oxide to that purpose.) The Decree stated as its objectives the protection of domestic producers and widening of the range of transport modes that comply with European safety and quality standards. Tractors and trucks traditionally belong to the two top Belarusian export products, accounting for 10% of all exports (coming second to petroleum, which accounts for 32%). The measure is no longer in force.

- On 21 April 2009, with a presidential edict No. 214 Belarus raised import duties on a wide range of consumer goods: for 9 months, 40% duty on imported meat and 30% duty on imported grape wines; 25% duty on butter, fats, starch and ice cream; 30 % duty on textiles (not applicable for goods imported from the EU-Member States, Turkey, Switzerland and Lichtenstein). The edict raised the import duty on some home appliances from 25 to 40 %. Wood products were also affected by import duties raised to 25-30%. For a period of 6 months, the edict imposed a 180 % import duty on vegetables (potatoes, onions, carrots, cabbages and beets). The measure is no longer in force.

Brazil:

- According to CAMEX Resolution 20/2013 in connection with the Resolution 70/2012 the tariff line 2905 31 – ethylene glycol was excluded from the list of temporary tariff increases (based on MERCOSUR decision 29/11 CMC) and attracts again a 12% duty.
On 3 July 2014, Brazil excluded from the list of exceptions to the Mercosur Common External Tariffs the following tariff lines, which resulted in the decrease of import duties: from 55% to 35% for peaches (code 2008.70.90); from 35% to 16% for bicycle tires (code 4011.50.00); from 12% to 6% for banknote paper (code 4802.57.91); from 35% to 12% for porcelain (code 6907.90.00).

On 5 June 2009, Brazil raised tariffs applied on eight steel products from 0 to 12-14%. The measure hits mainly China, NAFTA, Argentina and Russia, the main suppliers of Brazil. This measure has expired.

On 18 June 2009, the Ministry of Trade increased import tariffs from zero to 14% on all wind turbines with capacity up to 3,300kVA, which corresponds to approximately 2,640kW (CAMEX Resolution No. 37, of 18 June 2009). Turbines with capacity over 3,300kVA continue to face a zero tariff. The tariff measure includes a grace period for imports registered until 21 December 2009. This measure has expired.

The Brazilian bound tariff for this product at WTO is 35%. The affected trading partners are all countries producing wind-powered electric generating sets. In 2007, four countries were responsible for 94% of all wind turbine exports: Denmark (49.6%), Germany (28%), Japan (10.2%) and Spain (5.7%)16.

On 14 December 2010, Brazil increased tariffs for tools for pressing, stamping or punching (HS 8207, from 14% to 25%), moulds for metal or metal carbides for injection or compression types (HS 8480, from 14% to 30%). This measure has expired.

On 17 February 2011, Brazil increased tariffs on other amino-resins (HS 3909, from 14 to 20%). This measure has expired.

On 1 March 2011, Brazil increased tariffs for moulds for rubber or plastics for injection or compression types (HS 8480, from 14 to 30%). This measure has expired.

Canada:

On 29 January 2009, the Government of Canada announced that it would provide CDN 175 million “on a cash basis” to the Canadian Coast Guard for the purchase of new vessels and improvements to existing vessels. The allocated funds are included as part of Budget 2009’s provisions for infrastructure renewal. Although the Government had yet to award the contracts when the Budget was announced, it clearly stated that “work will be conducted in Canada, and where possible, by shipyards located within the regions of the vessels’ homeports”. The Budget foresaw acquisition of 60 small craft, 30 environmental response vessels, five life boats and three inshore fisheries scientific research craft. The measure has been implemented and not repeated.

The Canadian government announced initiatives that could possibly introduce subsidies to various industries. For the automotive industry, there was an offer of short-term repayable loans to the industry; creation of a CDN 12 billion credit facility to support vehicle and equipment financing. Furthermore, there were loans of CDN 170 million over two years to support innovation and marketing for the forestry sector; CDN 500 million over five years to facilitate new agricultural initiatives; CDN 50 million over three years to strengthen slaughterhouse capacity; as well as measures to enhance the resources and scope of action

According to the UN Comtrade.
available to Export Development Canada (EDC). These initiatives are no longer of relevance today.

- Ontario's Feed in Tariff ("FIT") program, under its Green Energy Act, included the following domestic content requirements: i) for wind power projects over 10 kW, a 50% requirement (no domestic content requirements for wind power projects of 10 kW or less); ii) for micro solar PV (10 kW or smaller) projects, a 60% requirement; iii) for larger solar PV projects, a 60% requirement. On 29 May 2014, the Ontario Minister of Energy confirmed that it would comply with the WTO ruling upholding an EU complaint that these domestic content requirements violate Canada's international trade obligations and put in place legislation to this effect. **On 25 July 2014, the Minister instructed the Ontario Power Authority (OPA) not to include any domestic content requirements in any FIT or micro FIT contracts signed by the OPA after that day.**

**China:**

- **On 12 April 2012, the National Development and Reform Commission (NDRC) postponed sine die a draft on "Provisional measures for the administration of implantable medical consumables price, NDRC, Exposure draft, August 2011". This draft was being discussed with industry representatives, including the EU industry. The system proposed a mark-up on Cost, Insurance and Freight (CIF) import prices (for importing companies) or ex-factory prices (for goods produced in China). This draft imposed a price control system by limiting companies' mark up at 60% (of the CIF price or ex-factory price) with a maximum amount of RMB 6,000. The measure was due to enter into force on 1 July 2012. The EU claimed that the measure discriminates foreign business vis-à-vis domestic producers as CIF import prices do not cover locally incurred Selling General and Administrative costs (SG&A).

- Reclassification of cosmetics: On 21 February 2012, the State Food and Drug Administration (SFDA) issued a call for comments by the industry on a draft Regulation concerning the "Classification of non-special cosmetics". The purpose of this draft regulation was to move imported non-special products from a pre-market registration to a notification regime, and also to reclassify a considerable number of product categories from 'non-special' to 'special' products, which are subject to pre-market registration. At the moment there are only nine categories of cosmetics that are considered "special", but with the proposed reclassification, an additional 13 product categories would be added to the "special" cosmetics category. According to an initial assessment, 60-70% of all non-special products could become special cosmetics under this proposal and thereby move to an increased registration procedure. The criteria used by the China Food and Drug Administration (CFDA) to define these new 'special cosmetics' were not transparent and resulted in product categorizations different to those applied internationally (e.g. lip and eye makeup products were nowhere else in the world considered as posing a safety risk that would justify a status of ‘special’ cosmetic. During the meeting between European Commission (DG SANCO) and SFDA regulators on 25 October 2012, SFDA informed the EU side that after extensive consultation of the industry and of trade partners, SFDA had decided to postpone its intended legislation on reclassification (WTO notification G/TBT/N/CHN/887). The issue would be linked to the revision of the Cosmetics Hygiene Management Rules (CHMR) i.e. China Cosmetics basic regulation), now called the Cosmetic Supervision and Administration Regulation (CSAR legislation). The revision of the CSAR legislation is on-going and is not expected to be completed in 2015.

- The WTO Appellate Body issued a ruling on 30 January 2012, confirming that the export restrictions, duties and quotas, imposed by China on nine raw materials were in breach of its WTO obligations and could not be justified. The parties (the co-complainants: EU, US, Mexico and China) agreed on a reasonable time for implementation by China until 31 December 2012. A preliminary analysis shows that China seems to have complied with the WTO ruling. In December 2012, China has issued measures, which have lifted the export
duties and export quotas subject to the WTO ruling. The actual impact of compliance measures, namely, if this “legal” compliance has been followed by a “factual” impact on export figures, will be monitored. An export licensing requirement is now effective on some products previously subject to an export quota and the EU will be examining whether this continues to be an obstacle for exports.

- **On 23 April 2015, China’s Ministry of Finance (MOF) issued the “Notice of the Customs Tariff Commission” concerning the implementation of the 2014 WTO Appellate Body ruling concerning China’s export restrictions on rare earth, tungsten and molybdenum (DS431, DS432 and DS433). With effect from 1 May 2015, the export tariffs on several products, including iron and steel granules and powders; rare earth; tungsten and molybdenum was abolished. The Chinese rare earth export tax rates previously ranged from 15 to 25%: 15% for LREE (light rare earth elements) and 25% for HREE (heavy rare earth elements).**

- **On 12 December 2013, China enacted a measure which annuls the negative effects of previous measures on VAT imposed on the logistic industry. The freight forwarders, unlike before, were not allowed to deduct certain cost items, such as international transportation freight from their tax base, and were required to apply 6% VAT and a 0.8% additional local surcharges on gross proceeds including freight costs, from their clients in China, which could constitute a loss for foreign companies of up to 4 Mio € per week (companies estimates).**

- **The National Energy Administration’s ‘Notice on Issuing Interim Measures on Administration of Grid Connection Testing for Wind Turbine Generator Sets’ was released on 1 January 2011. This specific notice immediately required all wind turbines to have a test certificate; however only local certificates were accepted, not foreign ones. Therefore, until the company was able to attain the certification, they could not join any tendering processes. This posed a serious threat to the business operations of foreign companies and to the healthy development of the wind industry. The protectionist effects of this measure were, however, temporary and short term.**

- **Several stimulus plans have expired:**
  
  - **Stimulus plan for the ICT industry:** Investment was targeted to six key projects, including stimulation of domestic consumption, credit guarantees for SMEs in particular, measures aimed at strengthening international competitiveness and an import tax rebate. Innovation and IPR protection for technologies are emphasised in particular through financial supports to file and obtain patent protection.
  
  - **Stimulus plan on automobiles (restructuring around 2-3 big firms producing around 2 million cars) and steel (restructuring around five major companies which would represent more than 45% of the domestic capacity by 2011).**
  
  - **An industry stimulus and revival action plan outlined on 18 May 2009, including a hike in export tax rebates, credit support and elimination of outdated capacity to prop up light industry, as well as a hike of export tax rebates on some light industry products that do not form part of "high pollution, high energy consumption and capital intensive industries". The government intended to extend financing support such as issuing credit lines to companies which have good track record but are temporarily short of liquidity, to help them weather the economic downturn. In particular, the plan said, the government would offer a proactive credit and guarantee policy to support well performing small- and medium-sized enterprises (SME) to create jobs. According to the plan, the government aimed to form another 10 large companies in the sector through industry consolidation, each with annual sales revenue exceeding 15 billion Yuan.**
Stimulus plan in the shipbuilding sector aiming at raising the shipbuilding capacity, including providing ship owners competitive bank loans until 2012 to encourage fleet renewal and replacement, support to increase credit funds for ship export buyers (commercial loans and credit facilities) at preferential lending rate, offers of a 17% subsidy on ship prices for domestic ocean going ships’ buyers till 2012 and offers of working capital at preferential interest rate to shipbuilders and provides mortgage financing for ships under construction. The stimulus package called the country to raise its annual shipbuilding capacity to 50mln DWT, or, the shipping market is already constrained by overcapacity.

- On 22 January 2013, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) issued without pre-warning a notification requiring from 1 February 2013 a laboratory test report confirming that levels of certain plasticizers17 are within levels permitted in wines and spirits under the existing Chinese standards. This measure resulted in detained shipments from the EU. In April 2013, delays due to sampling test were reduced together with a reduction of sampling size. EU Companies are however, still obliged to provide a certificate of conformity with the Chinese legislation. From March 2014, some local Chinese border inspection posts - China Inspection and Quarantine Services (CIQ) - started to require certification per production batch instead of on a brand basis, which has led to uncertainty and an unnecessary increase in costs. On 27 June 2014, China published the results of its risk assessment on phthalates in spirit drinks. Based on the result of the assessment, China amended its own standard which now mirrors the EU migration limits. End 2016, the situation is normalised, as no problem have been reported by EU businesses and EU trade counsellors over the last 12 months.

Ecuador:

- The trade-restrictive measures taken due to balance of payments considerations were removed by 23 July 2010, as confirmed to the WTO Balance of Payments Committee. On 22 January 2009, Ecuador adopted import measures from additional tariffs to quotas affecting a large number of products, including cosmetics, perfumes, alcoholic beverages, plastic articles, electrical products, ceramics and car parts. The Balance of Payment Committee at the WTO adopted a consensus report on 4 June 2009 and Ecuador agreed to replace most of the quantitative restrictions for price-based measures no later than 1 September 2009, to progressively modify the level and scope of the measures as Ecuador's balance of payments (BoP) situation improves, and to remove all trade measures for BoP purposes before 22 January 2010. Ecuador complied partially with the Committee's conclusions and quantitative restrictions have been replaced with ad-valorem duties. However, just before the measures should have expired, Ecuador extended the period for another 6 months and notified the WTO thereof, although Ecuador's BoP situation has improved due to higher oil prices. Some WTO members classed this as a new request, and initiated a specific meeting regarding the prolongation of the measures on 22 and 23 March 2010. In result, Ecuador resisted against formal consultations or starting a new procedure. Ecuador informed the WTO that the additional import duties were reduced by 10% on 23 January 2010 and that they would be further reduced by 30% every 2 months until 23 July 2010.

- On 22 July 2015, the Board’s policy and financial and monetary issued the Resolution 107-2015-F exempting the national financial system from the payment of the foreign currency outflow tax fee (ISD) (5%) for payments to credit lines or deposits over one year to international entities. The IDS is the third tax collecting more for fiscal cases. It was introduced by the current Govt. in 2008 and taxed the currency outflow initially with 0.5% and was increased in the subsequent years to get to the current 5%. This tax

17 di-butyl phthalate (DBP), di-2-ethylhexyl (DEHP) and Diisononyl phthalate (DINP)
increased 40 times till 2014 from US$ 31m to US$ 1.259m. ISD has been the main tool to control capital outflows. The existing tax has discouraged foreign investments and made more expensive external resources. This new measure seeks to prevent any further economic slowdown encouraging businesses and the banking system to get easier access to foreign capital.

- On October 2015, the Government presented to the WTO a table to dismantle before June 2016 the 2,962 items under the balance of payment safeguard. The first group of 192 items saw their safeguards come down from 45% to 40% at the end of December. WTO will meet again in February 2016 for a further revision of the measure.

Egypt:

- In February 2009, a 10% import duty was imposed on cold rolled flat tin sheets of steel, on top of existing duties, to stabilise the local market price. This preventive measure applied for one year. The measure was suspended in April 2009.

- In March 2008, a ban on exports of cement (and clinkers) and steel was introduced. In 15 July 2009 it was extended until October 2010. The ban is no longer in force.

- The government announced a fiscal package aimed at addressing the impact of the global crisis on the domestic economy (1 December 2008 and disbursed essentially during the first half of 2009). The EG Government has announced a package of incentives of LE 15 Billion (€ 2 Billion) to support the manufacturing and export activities as well as stabilizing the prices of natural gas and electricity to all factories. This package includes other measures such as eliminating trade barriers, increasing tax exemptions (i.e. exempting car component imports from customs fees), and reviewing planned increase in the prices of energy. An initial LE 15 billions has been unblocked to tackle the global financial crisis. Around EGP10 billion will be spent on infrastructure in FY2008/09 (this will likely extend into the second half of 2009), while a further EGP5 billion will go on export subsidies (EGP3 billion) and the reduction of investment-related tariffs (c. EGP2 billion). The Export Development Fund will also receive LE 3 billion of financial assistance. Several sectors will be affected by these decisions, automotive manufacturing, weaving and textile industry (i.e. committees to set benchmark prices for the imported ready-to-wear clothes, textiles and yarns, in order to protect the local industry), tourism sector, pharmaceuticals, etc.

  - LE 9.9 Bn for budget sector investments, of which the major bulk of 8.2 are in water and sewage projects and infrastructure (roads and bridges construction).
  - LE 0.6 Bn for improving railways and ports
  - LE 2.8 Bn for exports promotion, infrastructure development for internal trade and support to industrial zones.

The measure expired.

- In August 2009, import duties on sugar were abolished until December 2009. The measure aimed at lowering domestic prices for sugar. The exemption of import duties on sugar was extended until June 2010. In October 2010, import duties were revised and partly reintroduced. In January 2011 a specific duty (70 Euro per tonne) was added to the 10% duty on white sugar imports. In February 2012, Ministerial Decree 165/2012 exempted raw sugar from customs duties until December 2012.
• In October 2011, Egypt banned imports of cotton to ensure the selling of local production. The import ban was lifted officially in March 2012 (even if it remained effectively in place until March 2013).

• In November 2011, Decrees 626 & 660 imposed a new compulsory pre-shipment inspection on imports of textiles, clothing, leather, footwear and bags to guarantee conformity with Egyptian standards. The measure was postponed and entered into force in June 2012. The Decrees were cancelled in December 2012 and replaced by Decree 961 (2012), which re-establishes to a large extent the previous, more favourable, import conditions (it has to be noted however that the system is now based on the establishment of a list of exporters who can export without pre-shipment inspection and, since the conditions of inclusion on this list remain vague, the system will be monitored).

• In March 2012, the Ministry of Tourism issued a decree (151/2012) banning the establishment of tourism companies of different categories for one year. The decree expired in March 2013 and was not renewed.

• In October 2012, Ministerial Decrees 767 & 796 lifted the export ban on rice (re-allowing the exportation of white rice subject to an export tax of 1000 EGP per tonne).

• In December 2012, Decree 949 re-allowed exports of white sugar, previously banned by Decree 1035 of 2010.

• On 5 March 2014, the Egyptian Financial Supervisory Authority lifted the ban on brokerage companies and fund managers to trade shares listed abroad. The ban had aimed at limiting transfers of hard currency abroad. The new rules allow brokerages and fund managers in Egypt to trade foreign shares on behalf of non-resident foreign investors. Egyptian companies, however, remain banned from trading stocks that are not listed in Egypt on behalf of local investors or on their own account.

• In July 2014, President Abdel Fattah El-Sissi issued a decree to amend the Mortgage Law, cancelling real estate registration taxes that were previously imposed on mortgage companies owned by foreign investors. Accordingly, these companies will be treated identically as companies owned by Egyptian shareholders.

India:

• Import licensing: in January 2009, several products were brought back onto the “free” list of imports (including seamless tubes/pipes, parts and accessories of motor vehicles and carbon black – only the upmarket segment of the latter being liberalised). Hot rolled coils were moved back to 'free' list on 8 January 2010. This used to be placed under 'restricted' list since 21 November 2008. Through notification 08/2009-2014, India moved carbon black (2803 00 10) and other polyesters (5402 47 00) back to 'free' list. On 26 May 2010, after keeping radial tyres under the restricted category for nearly 18 months, India moved radial tyres back to "Free" category. Recently, through a notification dated 8 July 2010, India also moved articles of iron and steel (HS 7326 90 99) back to "Free" category.

• India decided on 26 January 2009 to ban the import of Chinese toys for six months, without indicating any official reason. Chinese toys account for half of India’s toy market. On 27 January 2010, India issued a notification on import policy for toys. Imports are free for all countries provided they fulfil the necessary conditions such as conformity to standards prescribed in ASTM F 963 or standards prescribed by ISO. Certificate of conformance from manufacturers that toys are tested by independent labs, which are accredited under ILAC, MRA and meet the specifications.
• On 9 April 2010, an export tax on raw cotton and cotton waste at Rs. 2500/tonne and 3% respectively, was introduced. It was revoked in April 2011.

• On 2 August 2011, the government lifted the export ban on cotton – including raw cotton, noting factors such as the availability of huge stocks and the fall in local prices. However, the conditions of registering export contracts with DGFT remain unchanged.

• On 18 February 2011, India prohibited exports of milk and cream, concentrated or containing added sugar or other sweetening matter including skimmed milk powder, whole milk powder, dairy whitener and infant milk foods (HS 0402). Also, on the same date, India extended the export prohibition of casein, caseinates, other casein derivatives and casein glues (HS 3501). On 22 November 2012, India lifted a ban on export of milk powder including whole milk powder, dairy whitener and infant milk foods (after also lifting the ban on exports of skimmed milk powder on 1 June 2012).

• On 4th February 2013, India exempted from any export restrictions with immediate effect ten processed and/or value added agricultural products (among others wheat or meslin flour, cereal flours, cereal groats, milk products, butter, and cheese).

• On 1 March 2013, India removed the export duty on de-oiled rice bran cake to Nil.

• On 5 July 2013, electrical energy was moved back to "free" category.

• In 2014, the BJP-led government has announced its opposition to the legislation adopted in 2012, which opened the sector of multi-brand retail to foreign investment (see "Suspended/terminated measures" in this Report). Even though it is unlikely that the government will repeal the legislation, it is practically freezing its implementation.

• Further to the publication of a framework policy document entitled "Preference to domestically manufactured electronic goods in procurement due to security considerations and in Government Procurement" of 10 February 2012, the Department of Telecommunication issued on 5 October 2012 some more detailed rules concerning the preferences to be given to the aforementioned products in government procurement. Guidelines on domestically manufactured electronic goods in procurement due to security considerations, and in public procurement were published on 12 June 2013. These guidelines introduced some flexibility (calibration of value-addition reflecting average/slightly above average manufacturing capability of domestic industry, to be suitably increased depending on the depth in manufacturing achieved rather than fixed thresholds), however the guidelines for electronic products had security implications specifying that preference would apply in a mandatory manner for both public and private (e.g. telecom services providers) procuring agencies, which would have been very worrisome from a legality point of view. However, the implementation of the rules on preferential market access was suspended by announcement of 8 July 2013, which explicitly rules out using domestic manufacturing requirements as a basis for achieving security related needs, and for private procurement. A new policy along those lines was published on 23 December 2013.

• On 8 December 2014, the Indian Government decided to remove the registration requirements for export of cotton and cotton yarn.

• On 20 February 2015, the Maximum Export Price on potatoes was removed by the Indian Government.

• The New Foreign Trade Policy unveiled on 1st April 2015 replaced India’s notified export subsidies of Rs 3,300 a tonne on raw sugar shipments undertaken during the February-March period of 2014 and notified on 3 March 2014. The incentive was set at
the rate of Rs 3,300 a tonne for February and March, and thereafter to be re-calculated every two months after taking into account the average exchange rate of rupee vis-à-vis the dollar. There would be a quantitative limit of 4 million tonnes for subsidies. Raw sugar produced and exported during 2013-14 and 2014-15 marketing years (October-September) was eligible for the support. This measure has expired.

- Local content requirements were noted for railway safety technology regarding 100% local content requirements for the Governmental procurement of certain railway safety technology products but the Indian Government decided not to continue with the measure in 2015.

- On 6 August 2015, India exempted export of Rice Bran oil in bulk from the prohibition on export of edible oils and it also removed the ceiling on export of organic edible oils.

- On 24 December 2015, India permitted export of all varieties of onions without any Minimum Export Price (MEP).

**Indonesia:**

- Local content requirement and discrimination in maritime and shipping services has been removed to some extent. Pelindo (State-owned port operator) has withdrawn the circular letter which would have given a 5% discount on port services only to Indonesian flagged ships. Now also foreign-flagged ships receive the discount.

- On 31 August 2009, the Food and Drug Safety Agency of Indonesia (BPOM) adopted a 'Halal Regulation' (HK.00.05.1.23.3516) that regulates (‘for consumer protection’) the registration for drugs, traditional drugs, cosmetics, food supplements and food containing un-halal substances and/or alcohol. These need to receive a marketing license from BPOM before they can be sold to Indonesian consumers. The Decree listed non-permitted substances from a wide range of animals not approved by syaria law or not slaughtered in halal way. For some products (alcohol, emergency drugs) labelling is required, other products are simply banned from Indonesian markets. A revision of this regulation took place and since 5 July 2010 a new Regulation on Information Disclosure of Origins of Certain Materials, Alcohol Substance and Expiration Date Deadline Mark/Label on Drugs, Traditional Medicine, Food Supplement and Food Products is in force. Halal inspections have been abandoned, while a label is required with declaration of certain materials made of pork, or having gone through a process which encounter certain materials made of pork, as well as alcohol and an expiry date. Halal declaration is voluntary. The measure no longer poses an obstacle to trade.

- Obligation for exporters of certain products (palm oil, minerals, also coal, coffee, cocoa and rubber) to obtain letters of credit from local banks for export transactions exceeding US$ 1 million. In addition, exporters will be barred from receiving payment from foreign customers through overseas bank accounts. Companies with existing long-term contracts have been granted postponement until end of August 2009. For palm oil, minerals, and metals, full implementation began on 1 April 2009. However, companies with existing long-term contracts have been granted a postponement until 1 September. All coffee, cocoa and rubber exporters were exempted until 1 September 2009. Several commodities exporters have requested for additional delays to the requirement beginning on 1 September 2009. Ministry of Trade has commented that several exporters are likely to receive a delay. This obligation was cancelled in 2010 before it was effectively applied.

- A fiscal stimulus package was adopted in 2009 with measures aiming at improving the purchasing power, strengthening competitiveness and increasing job opportunities. The duty drawbacks for some industrial sectors have also been included. The stimulus package was discontinued in 2010.
• Regulation 45/2009 on import licenses entered into force on 1 January 2010. The new regimes introduced two different kinds of licenses: a general import license (API-U) for the import of products that are to be distributed to other parties; and a producer import license (API-I) for the import of products that are to be self-utilised and/or be used in a production process and that shall not be traded or transferred to other parties. This measure, though horizontal in kind, was likely to have a bigger impact on pharmaceutical companies. Decree 45/2009 was amended by Minister of Trade Regulation No. 39/2010, issued on 4 October 2010. With the introduction of Regulation No. 39/2010 of 4 October 2010, the Indonesian authorities changed their previous practice and allowed economic operators to import both finished goods for sale on the domestic market and raw materials for production, under the same legal entity. Decree 39 entered into force on 1 January 2011. Supreme Court issued Supreme Court Decision No. 19P/HUM/2011 dated 20 June 2011 which revokes Article 1 (3) and Article 2 (1) of MoT Regulation No. 39/2010. The articles stipulate that a manufacturer can import finished products to support the company’s development. The Decision was issued based on the argument that MoT Regulation No. 39/2010 impairs local industry and opens wider opportunity to have overflow of import.

• The Ministry of Trade issued Regulation No. 45/M-DAG/PER/6/2015 on the import of tyres on 25 June 2015. The Regulation introduced rules to be applied to the imports of all tyre categories on top of the existing SNI (mandatory Indonesian National Standard) import procedure, such as the LS/VO (Laporan Survey/Verification Order). The LS/VO requires a surveyor institution entrusted by SNI to check all the tyres prior to be uploaded into the container in the country of origin and issue the LS document. The consequences of this request will affect imports’ timing and costs. The Regulation also restricted the entry of imports into designated sea ports, and contained provisions on quota import limitation by which every importer should propose its import quota to the Ministry of Industry (New Director-General Industri Kimia, Tektils dan Aneka) twice a year. The Regulation has, however, been revoked by the Regulation No. 78/M-DAG/PER/6/2015, dated September 28, 2015.

• Labelling: Trade Minister Regulation 73/2015 on the Requirement to Affix Label was issued on 28 September 2015 and is effective since 1 October 2015, relaxing requirements on labelling. It revokes the previous regulations Minister of Trade Regulation No. 67/2013 and its revision No. 10/2014, regarding the obligation to placing labels in Indonesian language. The Reg. No. 73/2015 removes the requirement to obtain SPKLBI (Certificate to Use Label in Bahasa Indonesia) as a pre-clearance import documents and allows label to be affixed before distribution (instead of before entering Indonesia customs area). However, products with mandatory SNI should have the label adjusted with SNI requirements. Previously, Indonesia’s labelling requirements were burdensome and onerous. Article 4.3 of Reg. 67/2013 stipulates that the use of stickers is prohibited (which is accepted practice worldwide). It also requires the size of label to be proportional to the size of goods or package and can be easily or clearly read. The producers or importers are held responsible for goods that have been in circulation in the domestic market before the introduction of those regulations. It should be noted that, while the EU does not contest Indonesia’s right to request that the information on the label be in the Indonesian language, the obligation that this be included on a permanent label (as opposed to a sticker) attached prior to shipment to Indonesia is burdensome. In some cases, the label has to be pre-approved by Indonesian authorities.

Japan:

New Growth Strategy 2010
In June 2010, the Government of Japan announced the "New Growth Strategy". One of its key policy measures was the simulation of the economy's growth through promotion of infrastructure related exports to emerging economies. The aim of the strategy was to create infrastructure-related business worth Yen 19.7 trillion within ten years. On 10 September 2010, the Cabinet adopted "The Economic measures for realisation of New Growth Strategy", which, inter alia, expanded the types of projects covered under the Japan Bank for International Cooperation (JBIC) scheme. The Government expanded the scope of the JBIC scheme to ten categories, adding such areas as efficient power generation, efficient electricity transmission, water treatment and carbon capture and storage. It also expanded the scope of railway projects to include not only high-speed rail but also subway and monorails. JBIC has been required to make such investment and loans in cooperation with private-sector financial institutions. Although initially the New Growth Strategy of 2010 was foreseen for ten years, by end of 2015 most of the measures have been merged into the more recent versions of Japanese government's revitalisation strategies.

E-FACE 2011

The Japan Bank for International Cooperation (JBIC) launched on 1 April 2011, "E-FACE (Enhanced Facility for Global Cooperation in Low Carbon Infrastructure and Equity Investment)" with the view to promoting a package of infrastructure related exports to emerging countries. The scheme aimed at mobilizing private capital through JBIC's equity participation, guarantee functions and loans. It was created in response to i) the "New Growth Strategy" (June 2010), ii) the Cabinet decision on the "The three step economic measures for the realisation of New Growth Strategy"(10 September 2010) and iii) the Cabinet decision on the promotion of infrastructure related package exports (10 December 2010). The "E-FACE" integrated and expanded the existing schemes of JBIC such as the 'FACE' (Facility for Asia Cooperation and Environment) and the "LIFE initiative" (Leading Investment to Future Environment Initiative). The "E-FACE" 2011 covered such projects as: i) infrastructure package exports: clean energy, railway, water treatment, smart grids; ii) investment promotion in emerging countries: M&A and natural resource exploitation projects; iii) environment and energy saving: efficient power generation, efficient electricity transmission, carbon capture and storage. In the past, JBIC's investment finance had been limited, in principle, to projects in emerging countries but became available also for some projects in developed countries after the revision of the ministerial ordinance concerning the implementation rules on the Law concerning the Japan Finance Corporation (16 November 2010). In addition, to high-speed trains and nuclear power plants which had been already eligible as projects for developed countries (from 28 April 2010), the projects (for developed countries) which became newly eligible for JBIC's schemes are city trains (subway and monorails), water treatment facilities, power generation using renewable, electricity conversion/transmission facilities and smart grids. On 28 April 2011, a Japan Bank for International Cooperation Act entered into force, separating the Bank from the Japan Finance Corporation (JFC). On 15 July 2011, a ministerial ordinance was adopted by the Cabinet to expand the scope of lending and investment operations of the JBIC. The ordinance set out the scope of the JBIC operations as follows: i) export finance for developed countries (e.g. export of vessels, aircraft and infrastructure related exports, such as railways); ii) investment finance to support M&A by Japanese companies (if the purpose is management control or tie-up of/with foreign companies engaged in infrastructure related business or foreign companies which possess advanced technologies); iii) project finance for projects in developed countries (including natural gas power generation). E-FACE 2011 was closed for applications by companies in February 2013.

R&D Subsidy Scheme

METI introduced in April 2010 a 100 billion yen ($1.2 billion) R&D subsidy scheme for small and medium-sized manufacturers. The scheme was to provide support for R&D (of core
manufacturing technologies/methods as moulding and casting), business development and marketing for SMEs. Through such measures, METI aimed to protect employment and prevent an outflow of SMEs from Japan. The total budget was Yen 140 billion in FY 2013, which ran until 31 March 2014.

Subsidy program to promote investment in advanced equipment

- As part of the supplementary 2012 budget, in 2013 the METI introduced the JPY 200bn “Subsidy Program to Promote Investment in Advanced Equipment as Measures to Deal with Yen Appreciation and Energy Constraints”. Non-SMEs could have up to 1/3 of the cost covered by the subsidy (maximum JPY 12bn per project), and SMEs up to 50% (subsidy rate depended on the planned improvement in resource productivity). Specifically, the equipment was required to increase resource productivity by more than 10% (e.g. through value addition), or be specialized equipment for production of high-value added core parts/materials. The programme was implemented during Fiscal Year 2013, which ran from April 2013 to 31 March 2014.

Car acquisition subsidy schemes

- Some local governments (among them: Tokyo Metropolitan Government, Kanagawa Prefecture, Akita Prefecture) offered subsidies for purchases of cars. The car acquisition subsidy schemes were launched mostly in April 2009; Kanagawa Prefecture began providing subsidies in April 2009 (possibly up to 700,000 yen) to individuals buying electric vehicles.

- The subsidy scheme for purchasing eco-friendly cars which ran from December 2011 ended on the 31st of January 2013. The Government of Japan subsidized JPY100,000 for passenger cars meeting the required fuel efficiency standards and JPY70,000 for Kei-cars (engine size less than 660cc). The total budget of this scheme was JPY300bn billion.

Programme for Promoting Japan as an Asian Business Centre and Direct Investment into Japan

- In December 2011, the Government of Japan set out the "Programme for Promoting Japan as an Asian Business Centre and Direct Investment into Japan". This programme was formulated on the basis of the "New Growth Strategy" (June 2010) and the "Strategies to Revitalize Japan” (August 2011). The Programme set out the following three targets towards 2020: i) to promote the establishment of high value-added sites in Japan (e.g. Asian Regional Headquarters and R&D facilities); ii) to double the number of employees of foreign enterprises and iii) to double the volume of direct investment into Japan. In connection to this programme the Asia Business Location Bill was introduced in November 2012. Specifically, the support measures provided to qualified companies (setting up regional headquarters and/or R&D operations) were: 20% income deduction for 5 years (i.e. 7% point effective tax rate cut); same treatment as Japanese enterprises for taxation on stock option benefits granted by parent companies; reduced patent fees (for SMEs) and accelerated applications for patents from approximately 22 months to 2 months.

Wood use points programme

- The Wood-Use Points Programme was run by the Forestry Agency of MAFF from 1 April 2013 to 30 March 2014 with a JPY 41 billion budget. Its extension from 31 March 2014 to 30 September 2014 ran with a budget of JPY 15 billion. The programme encouraged the use of local wood and Japanese wood species by providing users points, which could be redeemed later and exchanged for several purposes (a system similar to airline mileage points). The programme ended on 30 September 2014.

Subsidies for ultra-compact cars

- The Government sought to encourage businesses and municipalities to introduce ultra- compact cars, a new type of vehicle (to be approved for road use in autumn 2013) by covering
half of the purchase price with subsidies. The subsidy programme starting in 2013 targeted 100 projects (e.g. in tourism, healthcare sector, etc.). The ultra-compact cars were to be marketed at a price between JPY 0.5mln to 1mn, and the programme was calculated to be enough to subsidise the purchase of some 3,000 cars. The programme ended in 2013.

**Food Action Nippon**

- In October 2008 the Ministry of Agriculture (MAFF) set up a campaign 'Food Action Nippon'. The initial objective of the campaign was to raise the Japanese food self-sufficiency by promotion of domestic agricultural products. MAFF launched a nationwide campaign through various media tools and by using celebrities. However, the campaign has to a great extent lost its initial importance as a promoter of domestic agricultural products partly due to the changed self-sufficiency rate: on 31st March 2015 MAFF decreased the target rate to 45% by 2025, as the previous target of 50% by 2025 was deemed unrealistic.

**Program for Projects Promoting Foreign Direct Investment, Site Location and Regional Development in Japan**

- In 2010, the Ministry of Economy, Trade and Industry (METI) introduced the subsidy "Program for Projects Promoting Foreign Direct Investment, Site Location and Regional Development in Japan". Renamed from the "Programme for Promoting Japan as an Asian Business Centre and Direct Investment into Japan". (Project of site location for global companies) to promote Foreign Direct Investment (FDI) into Japan by supporting the establishment of new high-value-added facilities in Japan by global companies, such as Regional Headquarters or R&D sites. In FY2013, the subsidy programme was broadened to cover also survey design costs, facility costs, equipment costs and facility rental fees. The subsidy ranges from 1/3 (non-SMEs) to 1/2 (SMEs) of related costs and is capped at JPY 0.5bn. Up to FY 2013, out of 23 projects subsidised 12 were of EU companies and in FY 2014 out of 7 companies selected, 4 were EU companies. Therefore up to FY 2014, out of 30 subsidised projects 16 were for EU companies. This program was discontinued at the end of FY 2014 (31 March 2015), and is supposed to be replaced by a new incentive program soon (details and actual timing unknown at this point).

**Malaysia:**

- As from December 2013 the 10-cut limitation under the Halal laws has been revoked. All parts of pork and pork products are authorised for imports; all registered importers can import pork and pork products on condition they have an import permit for the consignments; Importers no longer have to be member of any business association for being authorised to import pork and pork products. There is a list of approved importers of pork and pork products available at the “online permit application system” of Malaysia's Competent Authority; the quota system is no longer in force. However, imports can only amount to a "quantum": import permits are granted in function of storage capacity available at importer for food safety reasons. This system will still be subject to monitoring.

**Mexico:**

- Early January 2009, President Felipe Calderon unveiled a 25-point economic plan to mitigate the impact of the US crisis on the ailing Mexican economy and preserve employment. This is the 5th counter-crisis plan that the President has announced since the effects of the crisis have become apparent, with exports' figures down 29%, investment down more than 10%, and consumption off nearly 7%. This package in Mexico was provided in the form of utility rates discounts, tax breaks and spending programmes. In its efforts to strengthen domestic economy, the national government planned new investments in infrastructure development, housing, agriculture and diversification of exports. Mexico has since experienced a strong economic rebound based on strong export growth, in particular in the area related to exports...
towards the United States. The economy grew by 3.9% in 2011. After the change of Government on 1 December 2012, these stimulus measures no longer apply.

- On 6 July 2011, Mexico and the US signed an agreement to end the long-standing trade dispute over trucking. The three-year long Memorandum of Understanding will allow Mexican trucking companies, who have already completed the necessary paperwork, to send their trucks into the US, starting in August of this year. Following the approval of the first cross-border permit for a Mexican trucking company in October 2011, the Mexican Ministry of Economy lifted the retaliatory tariffs it had imposed on 99 US products (mainly agricultural) since 2009.

Nigeria:

- The import ban on certain textile products (so-called "African print") has been removed from the version of the import prohibition list attached to the circular No 013/2015 of the Comptroller-General of Customs of 31 March 2015, launching the ECOWAS Common External Tariff (CET).

Philippines:

- The Philippines have for long been applying an import ban on poultry and poultry products originating from countries where an outbreak of avian influenza was allegedly reported. On 6 January 2014, the Philippines authorities acknowledged that this ban has been removed.

- The government's stimulus fund to finance export development and promotion, as well as capacity-building of small- and medium-sized exporters, the Export Development Council (EDC), was effectively ended in 2011 as the government stopped allocating funds to it. The President approved the Philippines "Export Development Plan 2011-2013", allocating PHP 80 million (€1.6 million) to the Export Support Fund for 2011 but no new allocations followed. Domestic industry (exporters) are, however, asking for more support and The Export Development Council (EDC) is expected to issue the first draft of the Philippine Export Development Plan (PEDP) 2014-2016, which will outline the targets, as well as product and market strategies, to boost export growth. No government contribution has been decided so far.

Russia:

- Civil Aircraft Decree No. 379 of 30 April 2009, which increased the duty to 20% for planes capable to carry more than 29, but less than 200 passengers, and reduced the duty to 0% for planes capable to carry less than 19 passengers no longer applies. The duty was decreased under the Customs Union ("CU")'s Single Customs Tariff to 0%.

- Decree No. 809 of 14 October 2009 extended for a period of 9 months the tariff on ferrous metals waste and scrap (measures of 7 November 2008 introduced by Decree No. 813). Under the CU the duty rate was lowered to 0%.

- Decree No. 742 of 15 September 2009 established a temporary import duty of 5% for 9 months on water boilers, internal combustion engines, air and vacuum pumps, etc. Previously all these types of equipment were imported on a duty-free basis. Under the CU's Single Customs Tariff, the duty rate was restored to 0%.

- The Russian Government considered restoring the import duty of 5% on certain types of goods for medical purposes, but this was set at 0% under the CU's Single Customs Tariff.
• An increase of tariff for pesticides to 20%, as reported before the establishment of the CU, has not materialized.

• An increase of tariffs for tyres for trucks to 25%, as reported before the establishment of the CU, has not materialized.

• An increase of import tariffs for tyres for passenger vehicles to 30%, as reported before the establishment of the CU, has not materialized.

• The Federal Customs Service Order No. 1514 (in force from end of April 2009) restricted customs clearance points for exports of metal scrap, leaving only one single land crossing point on the western border, thus contradicting the provisions of the EU-Russia bilateral steel agreement. By Decision of Russia's Highest Arbitration Court of 12 October 2009, restrictions on customs clearance points for exports of metal scrap were, however, abolished.

• Decree No. 671, in force from 4 September 2009 set tariffs for laundry equipment for 9 months at a 5-10% rate. The decree is no longer in force and these increases are not reflected in the Single Customs Tariff.

• Government Decision No. 273 of 31 March 2009 introduced increased duties on certain imported liquid crystal displays (LCDs, code 8529 90 870 9) from 10% to 15% for a period of 9 months. Under the CU's Single Tariff, the duty was brought back to 10%.

• Decree No. 616, which entered into force on 14 August 2009, established a tariff on bodies for specific motor vehicles at 15% but not less than €5000 per piece. Under the CU's Single Customs Tariff, the duty rate was set at 5%.

• Cash-for-clunkers plan: the Government allocated 11bn roubles in the 2010 federal budget for the implementation of the cash-for-clunkers plan. The plan could provide co-financing for the purchases of 200,000 new cars produced in Russia in 2010 and is expected to be launched in March 2010. Owners of cars older than 10 years could exchange their cars for 50,000 rouble vouchers valid for purchases of new cars 20 January 2010. The plan was extended in the summer 2010 (additional RUR 11bn) and subsequently to 2011 (RUR 13.5 bn allocated in the 2011 federal budget). The validity of the plan was prolonged in November 2010, for one year. Subsidies under the scheme in 2011 amounted to 16.6 bn roubles. About 500,000 new cars produced in Russia were purchased over this period and 600,000 old cars have been scrapped. The programme was completed in June 2011.

• In December 2009, Deputy Minister of Industry and Trade Stanislav Naumov revealed that the Ministry was considering increasing the existing preferential import duties on car parts and components (0-5%) in order to stimulate their local production. These plans have not materialised. However, new rules of car assembly regime specify in individual deals with foreign car producers the exact import conditions for car parts.

• In 2010, Russia requested a renewal of licences for imports of alcohol. The Federal Service for Regulation of Alcohol Market (FRS) exercised an excessive administrative discretion in the process of renewing licences which put at risk the business continuity of many operators. In 2012, the CU Commission cancelled licensing for import of alcoholic beverages so as to align the CU legislation with Russia's WTO commitments.

• The special duty of $282.4 per tonne of certain kinds of engineering hardware (CU CN codes 7318 15 810 0, 7318 15 890 0, 7318 15 900 9, 7318 16 910 9, 7318 16 990 0, 7318 21 0009) has expired in June 2014 and was not renewed.
• In 2011, the Russian Government decided to introduce a 25% duty on navigation equipment supporting only GPS, without GLONASS modules. All navigators for automobiles destined for the Russian market were planned to be equipped with GLONASS. In October 2011, Russian customs posts started to apply a 5% duty on imported Tablet PC with GPS modules (in particular, Apple iPad and Samsung Galaxy) referring to them as navigators. The Federal Customs Service later had to admit that Tablet PCs did not belong to navigators and should not be subject to duty (FCS Letter No TF-162 of 14.02.2012). Meanwhile, in June 2012 Russia's partners in the CU, Kazakhstan and Belarus rejected Russia's proposal to increase the duty and the CU Commission retained the import duty rate on GPS navigators at 5%. Attempts to raise the import duties for navigation equipment failed. The import duty for such equipment is thus retained at 5%. (The Eurasian Economic Union Customs Nomenclature Codes are: 8526912000 (navigational receivers), and 8526918000 (navigational equipment, other)).

• On 26 December 2011, the government issued decree No. 1148 designating the port of Magadan as the sole exit point for ferrous metal scrap in the Far East. The decree was, however, deemed invalid by the decision of the Supreme Arbitration Court of the Russian Federation No. 2462/12 of 29 May 2012.

• Early 2011, the Ministry of Economic Development (MED) proposed to introduce a 10% import duty on computers, computer monitors and notebook computers, while imported computer components would not be subject to import duties. The Ministry expected that this measure could attract to Russia the largest producers of computers such as Apple and Acer. In line with WTO norms (ITA) Russia however has to abolish its import duties on high-tech products, including computers and monitors (the average rate of Russian import duties on these products is 5.4%) The measure has not been adopted/implemented (as of December 2015). The import duty remains at 0% for both imported computers and computer components.

• The Russian Ministry of Economic Development (MED) also proposed to increase the Russian import duty on soda ash from 5 to 15 per cent (the major suppliers of soda ash to Russia are Ukraine, Bulgaria, Turkey and Estonia). In December 2015 the import duty, however, still remained at 5%.

South Korea:

• In December 2008, the government unveiled an outline of industry support measures to be taken, with a view to covering liquidity and corporate tax exemptions to the nation's 9 key industries, namely automotive, semiconductors, petro-chemicals, textiles, shipbuilding, steel, displays, mobile phones and machinery. The Ministry of Knowledge Economy confirmed that this scheme was valid until 31 December 2009.

• Support for automobile industry: limited to tax cuts on car purchases mainly to boost sluggish private consumption. The Korean Government temporarily reduced the individual consumption tax on car purchases by 30% between December 2008 and June 2009.

• In July 2010, the SMEA also confirmed its selection of 239 SMEs to benefit from the so-called “SMEs Innovative Technology Development Programme to grant KRW 34.7 billion in total. The SMEA aimed at facilitating technological innovation for SMEs suffering from a lack of financial resources (despite their potential). Under the ceiling of 75% of the total cost required for the development of technology within one year, this project would provide up to KRW 250 million for one year; Programme has expired.

• On June 15 2011, the MKE announced its plan to provide SMEs, which have difficulty in importing raw materials (mainly due to high oil prices, etc), with the so-called "urgent management stabilisation fund" worth KRW 100 billion. In addition, the MKE would have the
The state-run Korea Trade Insurance Corporation operate the import insurance coverage. It would be implemented also in the second half of the year, and where necessary, subject to further changes as to the amount of the fund and its operation planning in the coming months. The programme has expired.

- The government and the Korea Export Insurance Corporation plan to invest an additional 3 trillion won into troubled exporters that suffer from the weak won and a falling global demand have been implemented.

- In January 2011, the state-run Korea Trade Insurance Corporation announced its plan to offer payment guarantee coverage worth KRW 86 trillion to SMEs throughout 2011, up by 16% from the previous year.

- The Korean government announced its plan in 2009 to promote investment in green growth related industries. The plan is aimed at creating funds fit for the industries and expanding sources of financing. The plan was formulated on the basis of the three stages of development as follows:
  
  o Stage 1: R&D and commercialization
  To promote R&D projects and their commercialization, the government will increase fiscal support from 2.0 trillion won in 2009 to 2.8 trillion in 2013, along with 300 billion won funds set up by the KDB (Korea Development Bank). SMEs doing projects in stage 1 will access fiscal funds exclusive for them, which will be expanded form 60 billion won in 2009 to 1.1 trillion won in 2013. Credit guarantee offered to “green enterprises” and green projects will also be increased almost three folds from 2.8 trillion won in 2009 to 7 trillion won in 2013.

  o Stage 2: Industries maturing
  To boost maturing industries, the “green funds” of 500 billion won will be formed by the KDB and National Pension Fund in the last half of this year, along with long-term deposit products and “green bonds” launched by banks to attract private investors. The government will grant tax incentives on capital gains: no tax on dividend up to 30 million won, among others.

  o Stage 3: Industries fully grown
  To support fully grown industries, 100 billion won carbon funds will be set up in October 2009, followed by carbon emission rights exchange which will be test run in 2011. To promote exports of eco-friendly industries and projects, the government will expand export financing from 1.0 trillion won in 2009 to 3.0 trillion won in 2013 in addition to increased government guarantee for exporters.

- In March, 2012, the MKE announced its financial scheme support of KRW 1.821 trillion for the implementation for the "2012 Energy R&D Plans" which include the mid- and long-term projects relating to: nuclear power safety-related technologies; electric power supply and management technologies; new renewable energy technologies.

Switzerland:

- Switzerland reintroduced export refunds for cream as of 1 January 2009. The measure expired.

- Switzerland granted export subsidies for breeding cattle until 2009, when this was terminated given the prohibition of export subsidies by WTO law. The agricultural lobby succeeded since in putting forward a parliamentary proposal to reintroduce export subsidies of around 4 million CHF per year. Both chambers of the Swiss parliament originally accepted the subsidy
as a matter of principle. However, after repeated opposition by the Swiss government the initiative was finally rejected by the Parliament in 2012.

- In 2013-2015, a revision of the alcohol tax law was under discussion, whereby an advantage would be provided to the local industry by means of a tax rebate for local producers. The amendment would also authorise the government to fix minimum prices for specific types of alcohol. In the session ending on 18 December 2015, the Swiss Parliament did not, however, enter into discussions on the revision of the alcohol law. Thus, the revision of the law has been rejected. The Federal Council will most likely work out a new proposal.

Taiwan:

- The intention to subsidise the DRAM sectors has not materialised. At the 2011, Trade Policy review Taiwan confirmed that no subsidy was ultimately granted to the industry.

Thailand:

- Cabinet approved in September 2011 the proposal to grant tax refund to first-time car buyers. It offers tax refunds for first-time car buyers for passenger cars manufactured in Thailand with a small engine of less than 1,500cc and a price not exceeding Bt1mn. Meanwhile, there is no limitation on engine size for pick-ups to be eligible. The eligible first-time car buyers must be at least 21 years old and are required to hold ownership of the car for at least five years, to prevent car buyers from joining the program for commercial purposes (i.e. reselling). The scheme has expired since 31 December 2012 and no new tax refunds are granted for vehicles purchased after that.

Ukraine:

- A 13% surcharge on cars and refrigerators, adopted by Ukraine for balance-of-payments reasons, expired on 7 September 2009.

- New initiatives to replace the expired 13% surcharge under discussion for a few months have been abandoned. Draft Law No. 5080 "On amendments to certain Laws of Ukraine on taxation (regarding support of employment level in Ukraine in the conditions of the world financial crisis)", foresaw an introduction of temporary charge on agrarian and automobile products in amount of 10% is registered in the Parliament. Transport vehicles and bodies to them (and some further products) were considered. Finally, the draft was not adopted.

- Draft Law No 4767 "On amendments to certain Laws of Ukraine (regarding temporary surcharge to the valid import duty rates" was never adopted. The objective was to introduce a framework law which, in line with constitutional requirements, would provide the possibility to the Parliament to introduce additional surcharges (for the period of 12 months) if the balance of payment situation requires it.

- The Government, seeking to support the steel and chemical sectors, extended till the end of 2009 a number of preferences for them, which are envisaged by the corresponding Government's Resolution No 925 of 14 October 2008 and Memorandum signed between metallurgical and chemical enterprises and the Government. In particular, the preferences foresaw introduction of moratorium for increase of railroad transportation tariffs, reduction of prices for coking coal, cancellation of target surcharge for gas and suggestion to the National Electricity Regulation Commission to stop from 1 November 2008 increase of prices for electric power. The measure has now expired.

- Moratorium on any rise in prices and tariffs for medicines during the financial crisis until the level of minimum wages and pensions is set at the level of the living wage and all debts on
wages and scholarships are repaid: According to the Law No. 3426 passed by the Parliament, domestically produced medicines should be sold at prices regulated by the state, while foreign medicines should be sold at the prices set as of 1 July 2008. The President of Ukraine vetoed the legislation; in the absence of a sufficient majority in the Parliament to overcome the veto, the measure did not enter into force.

- Requirement of a mandatory conclusion of agreements for packaging waste utilization by importers with one state company "Ukrecomresursy", which basically creates a monopoly and contradicts with the principles of free market competition without an obvious reason. In spite of the Presidential Decree No. 718/2009 of 8 September 2009 that terminated certain provisions of the Resolutions of the Cabinet of Ministers of Ukraine No. 915 of 26 July 2001 ("On Implementation of the System of Collecting, Sorting, Transportation, Recycling and Utilization of Wastes as Secondary Raw Materials") and No. 508 of 20 May 2009 (which introduced changes to the Resolution No. 915), de facto it is not being implemented and the Joint Order of the Ministry of Economy of Ukraine, Ministry of Environmental Protection and the State Customs Service No. 789/414/709 of 30 July 2009 (issued on the basis of the Government's Resolutions) is still de facto applied. On 23 December 2009 the Ukrainian Administrative Court of Kyiv invalidated the said Joint Order, thus removing the trade-restrictive provisions.

- The Government's Resolution "On amendments to the resolution on public procurement of goods, works and services" of 24 June 2009 provided that goods, works and services were to be purchased from the domestic producers or their representatives and only if such goods, works and services were not produced in Ukraine, they could be purchased from non-residents or their official representatives. This measure was in force until 1 January 2011. A new Public procurement law, removing the discriminatory provision, was adopted in July 2010.

- On 11 March 2009 the Cabinet of Ministers approved Resolution No. 264 "On enlargement of internal market for domestic producers of machine-building for agriculture complex", which envisaged that agricultural equipment purchased with state funds should only be purchased from domestic producers. The Resolution was complemented by the Decree No. 328 "On state support in 2009 of domestic machine-building for agriculture complex", which laid down more detailed operational instructions on public procurement for state institutions. The measure expired.

- The export ban on grain, introduced in the summer of 2010, was replaced by an export duty since 1 July 2011 (on 10 June 2011, Viktor Yanukovich, President of Ukraine, signed the law No. 3387-V1 “On making of amendments to the Tax Codex of Ukraine and adoption of tariffs of the export duties for several varieties of grains”, which imposed 9-14% customs duties for grain exports until 2012. In particular, the law specified that the Government should impose the export duties till 1 January 2012, for the following grain varieties: wheat, meslin and emmer wheat - 9% of the customs cost, but not less than 17 EUR/ton; barley – 14%, but not less than 23 EUR/ton; maize – 12%, but not less than 20 EUR/ton). The measure expired as of 1 January 2012.

- A Programme to Develop Domestic Production was adopted by the Cabinet of Ministers resolution n° 1130 on 12 September 2011 announcing 159 industry-related projects. The Programme increased the role of the State in the process of reform and economic diversification and included mainly the creation of joint companies of producers of agriculture machinery in the Ukraine, introduction of preferential regimes of production with simultaneous increase of tax and customs tariffs for imports; implementation of effective customs duties to protect domestic producers of light industrial goods; use of TBT and SPS measures, certification, licensing, quota and standards to protect national producers on domestic markets. The programme expired.
• Local content requirements in renewable energy: Since its amendment on 18 December 2011 (#4065-VI) the Law on Electricity contained a provision under which local content rules should be observed for obtaining a specific feed-in tariff for electricity produced from renewables. The law stipulated that such incentive for electricity production from alternative energy sources should apply on condition that the share of raw stock, materials, main assets, works and services of Ukrainian origin in the cost of the construction of the respective facility producing electricity made at least 15% starting from January 2012. Since January 2013 this was be 30% and from January 2014 50%. For production of electricity from solar there was an additional requirement that the share of raw materials of Ukrainian origin in the production cost of solar modules had to be at least 30% starting from January 2013 and 50% from January 2014 respectively. The law expired.

• On July 4th, 2012 the Ukrainian Parliament adopted a Law of Ukraine #5038-VI introducing import licensing for medicines. This took effect on March 1st, 2013. Proper by-laws detailing the licensing conditions were adopted only on February 20th, 2013 (Ministry of Health Order #143), introducing an automatic licensing procedure which does not create a new burden for business.

• In February 2013 the Ukrainian Parliament registered a draft law aiming at the establishment of an export duty on raw wood (Bill #2325 “On establishing the rates of export duties on timber”). This measure aimed at stimulating investment activity in the wood industry. It proposed, in particular, to establish a five-year export duty for the customs codes 4401210000, 4401220000 and 4403. The duty levels are proposed to be set at 20% of custom value for the codes 4401210000 and 4401220000, but not less than 7 EUR per 1 ton and at 40% of custom value for 4403, but not less than 17 EUR per 1m³. In the end, the draft law was however not adopted.

• On 4 April 2013 the Parliament approved Law #11100 "On public procurement" changing tender conditions with the aim of excluding price mark-ups by commercial intermediaries that are not qualified as official representatives of the foreign producers in Ukraine. It also required proof of "ownership of production capacities and/or service centres on the territory of Ukraine" in order to qualify for public procurement tenders. These conditions were not in compliance with the WTO principle of non-discrimination of tenderers by the country of origin. The law is not in force.

• After a preliminary announcement in mid-2013, on 1st September 2013 Ukraine formally introduced an "ecological tax on recycling of old vehicles", i.e. a car recycling fee. Manufacturers were exempted from paying the tax if they created vehicle disassembling facilities, a possibility which was not offered to imported vehicles, putting them at a competitive disadvantage. The different treatment granted to imported and domestically produced vehicles introduced an element of discrimination, incompatible with Ukraine's WTO commitments. However, on 18 April 2014, Ukraine nullified the measure by adopting a law on the cancellation of the vehicle recycling tax and the excise duty on re-equipped trucks. The trade irritant was thus solved.

• In June 2014, Ukraine indicated the intention to abandon the re-negotiation of WTO tariff commitments under Art. XXVIII. This was confirmed in 2015 and Ukraine thus dropped its request to renegotiate tariffs.

• In June 2014, the Ukrainian Parliament had adopted Draft Law No. 2536a, which confirms the cancellation of the requirement of permits per imported batch of plant protection products. The previous system of permits requiring also analytical testing per batch, established by Articles 16-1 and 16-2 of the Ukrainian Law on Plant Protection No. 3042-VI dated 17 February 2011, was considered highly burdensome.
United States:

Note: In the US system, a bill is technically available for consideration throughout an entire Congress, unless it is defeated somewhere along the way. However, if a bill has not been acted on before the end of a Congress, it would have to be reintroduced in a succeeding Congress and begin the legislative process all over again. Many of the measures included below refer to bills that were not acted upon and were never reintroduced. A "new" Congress convenes every two years, in the January following a November congressional election. It is new in the sense that the entire House of Representatives is elected every two years, even though only about one-third of the Senate is elected biennially. Congresses have been numbered consecutively since the first Congress, which began in 1789.

- On 13 February 2009, the US Congress passed the $790bn American Economic Recovery and Reinvestment Act (ARRA), which was signed into law by President Obama on 17 February 2009. The legislation included two new 'Buy America(n)' provisions that prohibited funds appropriated by this Act to be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel and manufactured goods used in the project were produced in the United States and prohibited such funds to be used for the procurement by the Department of Homeland Security of a detailed list of textiles items (e.g. clothing, tents, cotton and natural fibres, etc.) unless the item is grown, processed in the United States. Specific waivers to these restrictions could be requested on the basis of public interest, non-availability or unreasonable costs. Although there is no clear abolition date of this measure, the stimulus funding has been already fully spent, so that no longer has any effect.

- On 30 August 2010, the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council adopted a rule that implemented a "Buy American" provision of the American Recovery and Reinvestment Act. The rule clarified that iron and steel construction materials were exempt from the Buy American provision only when those materials do not consist wholly or predominantly of iron or steel. These rules applied to State procurement entities not covered by the US GPA commitments as well as the procurement by the States not committed under the GPA. Although the funding, in the form of grants, was to be provided by the federal authorities, the States were for the most part the ultimately procuring entities. Although there is no clear abolition date of this measure, this measure is no longer in effect.

- The following measures have expired when the current Congress convened in January 2015, as they were bills that were not acted upon and were never reintroduced in the US system:
  - S 601, Water Resources Development Act of 2013, passed by the Senate on May 15, 2013. The bill included an amendment that would extend Buy American provisions to certain water infrastructure projects to be known as Innovative Financing Pilot Projects. The Senate bill would authorize US$50,000,000 in funding for the program for each fiscal year from 2014-2018. The legislation contained exceptions to the Buy American requirement (in situations where the Secretary finds that (1) adhering to the requirement would be inconsistent with the public interest, (2) the iron, steel, and the relevant manufactured goods are not made in the United States in sufficient quantities or are not of satisfactory quality, or where (3) complying with the rule would increase the cost of the overall project by more than 25%). (These are the standard Buy American exceptions). The Senate bill would apply to projects valued at $20,000,000 or more, except for certain rural water infrastructure projects that qualify for a lower $5,000,000 project cost threshold. Under the bill, several types of projects would be eligible for WIFIA assistance.
  - Other initiatives possibly entailing domestic content requirements had also been introduced to Congress for assessment, such as “The Invest in American Jobs Act of 2013” or the “American Steel First Act of 2013”.

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In May 2014, the US Department of Transportation unveiled the "Grow America Act", including a proposal to increase the local content requirement for rolling stock each year by 10%, from the original 60% in 2016 up to 100% in 2019.

The Water Resources Reform and Development Act (WRRDA) was enacted in June 2014. The legislation imposed new Buy America restrictions on all iron and steel used in such projects. The WRRDA also imposed new and permanent Buy America restrictions on procurement funded by the Environmental Protection Agency's (EPA) Clean Water State-Revolving Fund.

On 30 May 2014, the US House of Representatives passed HR4660, the "Commerce, Justice, Science, and Related Agencies Appropriations Act, 2015", which included amendment 761 aimed at preventing the Office of the U.S. Trade Representative from negotiating trade agreements that would further open up the U.S. government procurement market to other countries. The amendment in particular included a sentence stating that "[n]one of the funds made available by this Act may be used to negotiate an agreement that includes a waiver of the 'Buy American Act.'

On 30 May 2014, a bill was introduced in the New York State to impose Buy America restrictions on a broad range of the state's procurement activities, mirroring the restrictions imposed by the federal government for federally funded transportation infrastructure.

On 12 June 2014, the New Jersey Senate passed S 1811, requiring all state agencies, local municipalities, and public education institutions of higher education to purchase only goods manufactured in the United States to fulfill those contracts.

On May 16, 2014, Minnesota enacted S.F. No. 2454. Section 2, which established a preference for engine models of recreational vehicles and boats manufactured in the United States.

In Massachusetts, a State Senate bill was introduced in April 2014 to propose a preference for domestic products purchased by State Agencies.

- On 17 July 2009, the House of Representatives passed H.R. 3183, "Appropriations for Energy and Water Development and Related Agencies Act of 2010 ". The House also adopted a "Manager's amendment" - made up of a series of 10 amendments including a so-called Kissell/Pastor Amendment, which says: "None of the funds made available in this Act may be used to purchase passenger motor vehicles other than those manufactured by Ford, GM or Chrysler". This discriminatory provision has been removed during the conference process.

- Discriminatory Buy America provisions in the Jobs for Main Street Act, adopted on 18 March 2010, have been abandoned.

- Restrictions on foreign entity related to funding of energy-related researched projects have been reversed on 17 December 2009.

- The draft Foreign Manufacturers Legal Accountability Act of 2009, which lapsed due to the Congress elections in November 2010, aimed at further protecting U.S. consumers and businesses from injuries caused by defective products manufactured abroad. It required the heads of federal government agencies such as the Food and Drug Administration to pass regulations requiring that foreign manufacturers of products register an agent who will accept service of process in case of damage litigation. Regulators could exclude manufacturers who only import a minimal amount of products into the United States. The Bill would have created an obligation that these foreign manufacturers consent to the jurisdiction of the courts in the
state where their agent is located. Foreign Manufacturers Legal Accountability Act of 2010 in the House version was very similar to the Foreign Manufacturers Legal Accountability Act of 2009. It required establishing a registered agent in the United States who would be authorized to accept service of process on behalf of foreign manufacturers for the purpose of all civil and regulatory actions in state and federal courts. The House Energy and Commerce Committee 21 July 2010 passed H.R.467, which contained an import ban on products of those manufacturers who failed to register an agent in the US. There was a similar pending legislation in the Senate (S.1606) which sought to remove this provision, while looking at the possibility to establish an import threshold exempting minor exporters from the requirements. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The Financial Services and General Government Appropriations bill (S 1432, HR 3170) passed the Senate Appropriations Committee and the full House and would have prohibited inverted companies from receiving funds through contracts with federal government agencies. This bill stated that none of the funds appropriated or otherwise made available by this or any other Act could be used for any Federal Government contract with any foreign incorporated entity which is treated as an inverted domestic corporation or any subsidiary of such an entity. Although the Senate version of the bill stated consistency with international obligations (the obligation would not apply to the extent that it was inconsistent with the United States obligations under an international agreement), the House version of the bill, did not. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The “National Defense Authorization Act for Fiscal Year 2010” included three provisions that would introduce either 'Buy American' requirements or otherwise imply set-asides or protection for U.S. providers of goods or services. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- 'Buy American' provisions on steel and iron and manufactured goods and 'Hire American' provisions were expected to be included in the economic stimulus legislation. Concrete negative effects of these provisions to the procurement possibilities of European companies in the US market had been reported. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- On 30 July 2010, the House of Representatives passed the Assistance, Quality and Affordability Act (HR 5320), which included new Buy American requirements. Notably, the funds made available by a State loan could be used for a project for the construction, alteration, maintenance, or repair of a public water system if the steel, iron, and manufactured goods used in such project were produced in the US. This legislation intended to fund various drinking water projects set up by US states and municipalities, which were not covered by the Government Procurement Agreement. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- In the House of Representatives, Rep. Lipinski introduced HR 4351 and Senator Feingold in the Senate introduced S 2890, Buy American Improvement Act, which proposed to eliminate the reasonable costs exception in 1933 Act and replacing it with 25% of project cost as well as other preferences for domestic suppliers. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- On 29 and 30 July 2010 the House and Senate respectively passed an extension of the Federal Aviation and Administration Act authorization until 30 September 2010. On 23 September 2010, the House of Representatives approved another (temporary, three-month) extension of Federal Aviation and Administration Act (FAA) programs, allowing more time for Congress to debate a permanent reauthorisation bill for the FAA. The House bill contained more restrictive language on foreign ownership and control of US airlines, inspection of foreign repair stations by the US government and a sunset clause for anti-trust immunity for airline
alliances. (The text approved by the Senate had less stringent provisions.) Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The US intended adopting a series of measures in the field of exploration and exploitation of energy resources. The Consolidated Land, Energy, and Aquatic Resources Act, H.R. 3534 provided for the Americanization of offshore operations in the exclusive economic zone (all oil drilling related vessels in the exclusive economic zone would have had to be registered in the United States and be at least 75 per cent U.S. owned); Build America requirement for offshore facilities (according to which a person may not use an offshore facility to engage in support of exploration, development, or production of oil or natural gas in, on, above, or below the exclusive economic zone unless the facility was built in the US). The legislation was passed by the House on July 30, 2010. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The US government approved two auto loans: On 30 September 2008 President Bush signed into law the "2009 Continuing Appropriations Resolution", which included appropriation of funding for so called 'Advanced Technology Vehicles Manufacturing Incentive Program' (ATVMIP). On 19 December 2008 he announced that the Administration would provide federal loans for GM and Chrysler in the total amount of US $ 17.4 billion using the 'Troubled Assets Relief Program' (TARP) originally approved for the financial institutions. The law expired.

- In 2009, Congress approved 'car scrappage' legislation (HR 1550), which provided consumers with vouchers if they decide to scrap their high polluting automobile and replace it with a new fuel efficient automobile. The Car Allowance Rebate System (CARS), colloquially known as "cash for clunkers", provided US $1 billion, which was exhausted quickly, and another US $2 billion was appropriated later in the same year for a total of US $3 billion. The program was promoted as providing stimulus to the economy by boosting auto sales, while putting safer, cleaner, and more fuel-efficient vehicles on the roadways. No further monies for the scrappage program were approved and there is no prospect of similar legislation being approved by the current Congress.

- The House of Representatives passed the "American Clean Energy and Security Act" of 2009 (H.R. 2454) on 26 June, 2009 which included (in section 123) a vehicle manufacturing assistance program (to be established by the U.S. Department of Energy) for Plug-In Electric Drive Vehicle Manufacturing. The programme provided financial assistance for the reconstruction or retooling of facilities for the manufacture of plug-in electric drive vehicles or batteries for such vehicles that are developed and produced in the United States. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- Related to Black Liquor, the program constituting a part of the 2008 Farm Bill, was supposed to benefit "companies that use expensive, cutting-edge technologies to distil ethanol from plant materials instead of corn". Despite Congress' intent, the Internal Revenue Service released a memorandum in October 2009 ruling that black liquor qualified for cellulosic biofuel producer credits because the fuel is produced and used in the U.S. and is "derived from lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis." Current legislation in force, Tax Relief, Unemployment Insurance Reauthorisation, and Job Creation Act of 2010 (H.R.4853) renewed tax reliefs for alternative energy production but removed black liquor fuel as an eligible fuel.

- Jones Act: on 17 July 2009 Customs and Border Protection (CBP) published a "Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastline Points", which proposed to remove exemptions to the Jones Act for certain offshore activities involving foreign flag vessels and thereby change long-standing
interpretations of rules for vessels in the offshore oil and gas industry. On 15 September 2009 CBP withdrew the proposal based upon its consideration of 141 comments received both in favour of and against the proposal, as well as based on additional research. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The "Reciprocal Market Access Act" would force the administration to reduce trade barriers in other countries before allowing other countries to sell their products in the US. In particular, the bill would instruct US trade negotiators to eliminate foreign market barriers - including non-tariff barriers - before reducing US tariffs. It also would provide enforcement authority to reinstate the tariff if the foreign government does not honour its commitment to remove its barriers. The lawmakers indicated that this legislation was particularly targeted at the ongoing WTO Doha Development Agenda trade negotiations because the US negotiators would not currently have the flexibility to trade a tariff reduction for elimination of a non-tariff barrier. The bill would thus require the President to provide a certification to the Congress, in advance of agreeing to a modification of any existing duty on any product, that sectorial reciprocal market access had been obtained; and if trading partners do not grant similar market access or if they erect new barriers to US exports, the United States could withdraw tariff concessions. The process would be triggered by either a private-sector or Congressional petition. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The Berry Amendment Extension Act (H.R. 3116) extended certain "Berry Amendment" restrictions placed on military acquisitions by the Department of Defence to the Homeland Security Department. The original Berry Amendment required the U.S. Department of Defence to procure certain goods, such as textiles, clothing, tents and cotton, from domestic sources. The legislation included a clause requiring consistency with international obligations.

- The House of Representatives passed the Congressional Made in America Promise Act of 2009 (H.R. 2039), which clarified that the Buy American Act of 1933 extends to the Legislative branch. The bill also prohibited application of any of the exceptions to requirements of the Act (public interest, unreasonable cost, unavailable supply, etc.) for all products bearing the Congressional Seal.

- A draft bill (H.R. 6969) was introduced in Congress in 2009 to amend the Internal Revenue Code (the Neal bill) and deny a tax deduction for excess reinsurance premiums with respect to US risks paid to affiliated insurance companies that are not subject to US taxation. The bill risked creating unfair tax disadvantages to EU-owned US subsidiaries compared to US-owned companies. Due to the November 2010 elections to the Congress, no further action on the draft was taken.

- The US House of Representatives Ways and Means Subcommittee on Select Revenue Measures held a hearing on 14 July 2010 regarding international reinsurance transactions and competing proposals to reform their US tax treatment. These proposals would affect European insurance companies operating in the US that conduct reinsurance transactions to diversify risk and hurt legitimate reinsurance transactions by raising insurance premiums for US consumers. In the FY2014 Presidential budget proposal released in February 2013, the Administration opted for a more restrictive proposal in line with the Neal bill, which would deny an even larger share of tax deductions for reinsurance than their initial proposal. In addition, a similar provision on reinsurance is contained in a tax reform legislative proposal by Keith Ellison (D-MN) in HR 505 which was introduced in April 2013. There was discussion to introduce similar provisions in Congress in 2014 but none were introduced finally.
Vietnam:

- On 10 February 2009 the Ministry of Finance announced an increase on the tariff levied on newsprint from 20% to 29% and on printing/writing paper from 25% to 29%, except on that coming from members of the Association of Southeast Asian Nations (ASEAN). In a further step to protect local industry, the Ministry of Industry and Trade proposed end of March 2009 to raise the import duty on newsprint, printing and writing paper imported from ASEAN countries from 3% to 5%. The measure has been withdrawn.

- After pressure from local steel producers and the Vietnam Steel Association, the Vietnamese Ministry of Finance issued Circular 75/2009/TT-BTC of 13 April 2009 and Circular 216/2009/TT-BTC of 12 November 2009 revising up the MFN import tariffs on several construction steel products. In detail, import duties on alloy steel products (under HS Headings of 7227900000, 7228301000, 7228309000, 7228401000, and 7228409000) were increased from 5% to 10%. While the new rates are 5% higher than the previous rates, they are 2-5% lower than the rates proposed by the Vietnam Steel Association. The measure has been withdrawn.

- The government implemented a US $8 billion stimulus package to spur the economy on 12 May 2009. The funds are mainly spent on: (i) a 4% interest subsidy program for loans to SMEs; (ii) a zero interest loans program for the poor; (iii) a loans program for Vietnamese enterprises to invest in new technology, environmentally friendly technologies and expand scale of production & business; (iv) tax cut on goods and tax break for individuals and companies; (v) increase of minimum salary by 20% for public servants and increase of 5% in pension and social benefits. Following the USD 8 billion stimulus package in 2009, the government in November 2009 decided to continue stimulus measures in 2010 on a smaller scale in order to maintain the recovery of its economic growth. The measures mainly aim at providing subsidies of interest rates of loans by companies operating in Vietnam on non-discriminatory basis. The government offers a 2%-subsidy to short term loans (loans having a maturity date as early as 60 to 120 days from the date of inception of the loan) during the first quarter of 2010 and 2%-subsidy to medium and long-term loans in the entire 2010. The total amount planned for this subsidy is not known, neither is the current disbursement rate of the subsidy loans. This stimulus programme has been terminated by mid-2011.

- Automatic licensing regimes for exports of rice and minerals as well as imports of key consumer goods for imports by the Vietnamese Ministry of Industry and Trade (MOIT) were re-introduced in January 2009. On 5th September 2011, MOIT issued Circular 32/2011/TT-BCT to amend the Circular 24/2010/TT-BCT. This Circular 32/2011/TT-BCT entered into force as from 20th October 2011. The biggest revision under the new Circular 32/2011/TT-BCT is that all commodities in Annex 1 that was issued together with the Circular 24/2010/TT-BCT are now subject to automatic licensing requirement. There is only one exception, i.e. wire telephone sets (HS code 8517110000) and mobile phone (HS code: 8517120000) are not subject to this automatic licensing regime. On 26 September 2012, the Ministry of Industry and Trade issued Circular numbered 27/2012/TT-BCT, which suspended the application of the Circulars 32/2011/TT-BCT and 24/2010/TT-BCT. Circular 27/2012/TT-BCT entered into force on the day of issuance. On 16 June 2014, the Ministry of Industry and Trade issued Circular numbered 17/2014/TT-BCT to partially revoke the requirement of licensing regime applied for some steel products. This Circular took effect the same day of its publication.

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18 Annex 1 of Circular 24/2010/TT-BCT include all products in Chapters 2, 20, 64 and 95 and important products of chapters 3, 16, 17, 18, 19, 21, 22, 33, 39, 61, 62, 63, 69, 70 73, 76, 84, 85, 87, and 94.
Notice 197/TB-BCT on imports of wines & spirits, mobile phones and cosmetics, was issued on 6 May 2011 and entered into force on 1 June 2011. It required that all imports of these products must enter into Vietnam only through customs clearance facilities of the three international seaports of Ho Chi Minh City, Hai Phong and Da Nang. It also introduced a requirement for additional customs documentation to be provided and an obligation to have these documents approved by the consulate of Vietnam in the exporting country. On 28 December 2012, the Ministry of Industry and Trade issued Notice 301/TB-BCT revoking the import restriction measures imposed by Notice 197/TB-BCT. The revocation has been effective since 1 January 2013.

VII. TRADE FACILITATION MEASURES

Argentina:

- Since 18 September 2009, by the internalisation of MERCOSUR's Dec. 40/2008 of 15 December 2008, imports to institutions related to scientific and technological research are tariff free.

- By Decree 311/2010 of 2 March 2010 Argentina reduced import duties from 35% to 2% for up to 200 unites of hybrid automobiles from outside the MERCOSUR (within the HS codes: 8702 and 8703).

- The 2012 Financial Law promotes foreign investment by providing inter alia VTA exemption under certain conditions for banks and financial institutions; cancellation of certain banking taxes; and lowering fiscal pressure and simplification and harmonization of financial procedures.


- General Resolution 3560/2013-AFIP launched a new IT customs system (named Sistema Informático Malvina or SIM), which gradually replaced the Sistema Informático María installed in the 1980s. The new SIM was operational in 2015 (09.12.2013). In this context, the tax and customs authority AFIP approved the guidelines to implement the module of the so-called Single Window of Foreign Trade (‘Ventanilla Única de Comercio Exterior’, VUCE). This module comprises the interventions by the relevant government entities in the imports and exports operations (General Resolution 3599/2014, of 11.03.2014).

- Resolution 1077/2014-MEFP introduced a new regime for export taxes on oil and its derivatives. The export duty is now calculated on the basis of a formula that depends on the international price of oil, which constitutes a relaxation compared to the previous scheme (given the drop in the international prices of oil). The Secretariat of Energy will publish every month the base international price of crude oil, subtracting USD 8 per bbl from the Brent Oil price. If the resulting price is lower than USD 71, the applicable tax rate will be 1%. For prices above that threshold, a different formula applies, depending on the product. The Resolution is effective since 1 January 2015 (31.12.2014).

- Joint Resolution 2395/2014-MS and 1076/2014-MEFP granted an exemption from import taxes to materials used in the production of medicines (08.01.2015).

- Resolution 60/2015-MEFP lowered the applicable export taxes for propane, butane and liquefied petroleum gas (LPG). It decreased the applicable rate from 45% to a symbolic 1% if the international price falls below certain values of reference (26.02.2015).
• Decrees 900 and 2271/2015-PEN reduced, until end 2021, import taxes on certain capital goods that are not produced in Argentina, to 2%. This reduction applies to approximately 160 HS codes, listed in the Annexes (Decrees published on 29.05.2015 and 11.11.2015, respectively).

• Decree 133/2015 revoked export tariffs on most agricultural products – with the important exception of soy, of key importance for fiscal revenues, for which they were reduced by 5 percentage points to 30%. Overall, export taxes were eliminated for products from HS Chapters 1 to 24 and 41 to 53, with the exception of 46 six-digit tariff lines (covering soy products, skins and leather, cork, paper for recycling and wool) (17.12.2015).

• Decree 160/2015 revoked export taxes (set generally in 5% since 2007) on manufactured products, eliminating the tariffs for Chapters 28 to 40, 54 to 76 and 78 to 96, with the exception of 8 tariff lines (for biodiesel and ferrous waste) (21.12.2015).

• Joint Resolutions 4/2015-MA, 7/2015-MP & 7/2015-MHFP of 29 December 2015 repealed the regime of prior authorizations for exports of agricultural products, known as ROEs, which was in place since 2008. It was replaced by "Prior Declarations of Sales Abroad" (DJVEs), which can be submitted until the day after closure of the trade operation agreement.

• Resolution 126/2015 of the Ministry of Economy created a stimulus program for small agri producers of grain and oilseed. In practice, it will be a partial refund of the export taxes paid by these farmers, on up to 700 annual tons of soy, wheat, maize or sunflower. They will receive an amount per ton inversely proportionate to the producer's capacity, to be paid on a monthly basis (18.03.2015).

Australia:

• Australia announced on 4 August 2009 changes to its foreign investment screening regime, in order to reduce disincentives for overseas investors and promote Australia as a competitive and attractive destination. The six monetary thresholds applied to screening for private foreign investment were reduced to two: 15% or more in a business worth $A252 million (indexed 2015) or more indexed on an annual basis; secondly, $A1, 094 million (indexed 2015) for US, New Zealand, Chile, Japan and Korea (i.e. Australian FTA partners with measures to this effect) private investors in non-sensitive sectors, Screening arrangements for the media sector and foreign government investments were retained. Furthermore, the requirement that non-US investors notify the Government when establishing a new business in Australia worth more than $A10 million was repealed. The provisions took effect from 22 September 2009 by means of amendments to the Foreign Acquisitions and Takeovers Regulations 1989.

• On 8 August 2014, the Qantas Sale Amendment Act 2014 received Royal Assent. This removed the requirements under Section 7 of Part 3 of the Act, which stated that ownership by a single foreign investor in the flag carrier Qantas is not to exceed 25 percent, and aggregate ownership by foreign airlines is not to exceed 35 percent. However, the Act retains the requirement that total foreign ownership of Qantas is not to exceed 49 per cent.

Brazil:

• On 14 September 2010, a tariff-rate quota of 250,000 tons for cotton not carded or combed (5201.00.20 and 52.01.00.90), at 0% duty for the period of 1 October until 31 May 2011. This
period has been extended until 30 June 2011. In 2013 the reduced tariff is valid for the quota of 80,000 tons, in the period between 1 May 2013 and 31 July 2013.

- On 11 February 2011, a tariff-rate quota (TRQ) of 150 Tons of Terephthalic acid and its salts (2917.36.00) at 0% duty was adopted. A new TRQ of 135,000 Tons was adopted until 31 December 2011.

- On 1 April 2011, some tariffs have been decreased: Vinyl acetate (2915.32.00) from 12 to 2% and carbon electrodes (8545.90.10) from 12 to 2%.

- On 17 May 2011, a TRQ of 3,000 Tons (for a period of 6 months) of 4,4’-Isopropylidenediphenol (bisphenol A, diphenylolpropane) and its salts (29.07.23.00) and a TRQ of 30,000 Tons (until 31 December 2011) of some Flat-rolled products of steel with a thickness of 29.45 mm (7208.51.00 - Ex 005) at 2% were adopted.

- On 14 June 2011, a TRQ of 3,000 Tons (for a period of 3 months) of Mixed alkylbenzenes (3817.00.10 – Ex 001) at 2% was adopted.

- On 21 June 2011, a TRQ of 6,000 Tons (for a period of 12 months) of Titanium oxides (2823.00.10) at 2% was adopted.

- On 16 August 2013, the Brazilian Congress approved a draft bill (PLC 116) on the elimination of regulatory restrictions for the provision of triple play (pay-TV) services by telecommunication operators, which was causing a discrimination against cable-TV operators that did not face any such restrictions. This will be an important step to foster the major investments on broadband development that will be needed throughout the country.

- On 28 February 2013 the CAMEX Resolutions 15/2013 and 16/2013 were published reducing tariffs down to 2% for 290 tariff lines representing machinery and equipment that are not produced in Brazil. The reduction was bound to last until 31 December 2014 and is composed on 213 new tariff lines and 73 prolongations of earlier reductions.

- On 14 May 2013 the CAMEX Resolutions 33/2013 and 34/2013 were published reducing tariffs down to 2% for 157 tariff lines representing 147 lines for capital goods and 10 lines for IT and Telecommunication. The reduction will last until 31 December 2013 (Resolution 33/2013) and 2014 (Resolution 34/2013).

- On 13 March 2014, CAMEX Resolution 20/2014 reduced tariffs down to 2% for a number of capital goods tariff lines. The reduction will last until 31 December 2015.

- On 20 June 2014 Camex Resolution 44/2014 was adopted reducing tariffs down to 2% for 250 tariff lines representing machinery and equipment that are not produced in Brazil. The reduction is bound to last until 31 December 2015.
As a result of the Presidential Decree 8.077/13, which allowed the National Health Surveillance Agency (ANVISA - Agência Nacional de Vigilância Sanitária) to streamline procedures and requirements on health risk, Resolution 15/2014 of 28 March 2014 was issued providing for simpler and faster import of medical devices in Brazil. Resolution 15/2014 and Presidential Decree 8.077/13 introduce 3 measures: 1. ANVISA can accept audit reports issued by foreign regulatory agencies which are party of specific programs recognised by ANVISA (e.g. the Medical Devices Single Audit Programme). ANVISA can partner with other regulatory agencies, share information and reduce the need to send technicians abroad. 2. Class I and Class II Medical Devices, considered lower risk such as gloves, syringes and some surgical instruments, are to be produced in accordance with Good Manufacturing Practices (GMP) but are exempted from certification from ANVISA. This eliminates the need for international inspections of production lines (without however changing the criteria of efficacy and safety required for the registration of those devices). 3. Manufactures of Class III and IV medical devices do not have to wait for ANVISA's GMP inspection to initiate the process of registration, revalidation or changes of their products. This law will reduce the time of arrival of new equipment on the market, since the assessment of the product may take place while the factory waits for the GMP inspection/certification.

Several tariff-related trade facilitating measures have been introduced:

- Between 21 September 2014 and 31 December 2015 Brazil adopted 31 CAMEX Resolutions reducing temporarily tariffs down to 2% for a number of products representing machinery and equipment that are not produced in Brazil. These Resolutions are: 79, 80, 90, 113, 114, 117 and 118 of 2014 and 7, 8, 11, 12, 21, 22, 29, 30, 44, 45, 54, 55, 63, 64, 85, 86, 88, 89, 100, 101, 111, 112, 116 and 116 of 2015

- The canned peaches product code 2008.70.90 was removed from the list of the CET exemptions and as of 8 July 2014 the tariff went back from 55% to 35%.

- On 19 September 2014, Brazil reduced import tariffs for certain road tractors for semi-trailers (ex 8729) and certain automotives (ex 8703) from 35 to 0% by Camex Resolution 86/2014 of 18 September 2014.

- On 1 December 2014, Brazil reduced import tariffs for xylenes (ex 2902) from 4 to 0% by Camex Resolution 112/2014 of 21 November 2014. The reduction applied until 29 May 2015 for the TRQ of 80 000 tones.

- On 18 December 2014 Camex Resolution 116/2014 was adopted reducing tariffs down to 2% for certain products representing parts used in car manufacture. On 1 April 2015, Brazil reduced import tariffs for certain vaccines (ex 3002) from 2 to 0%, for roasted not decaffeinated coffee (ex 0901) from 10 to 0% and certain apparatus for coffee and tea preparations (ex 8516) from 20 to 0% by Camex Resolutions 17/2015 and 18/2015 of 31 March 2015.

- On 26 May 2015, Brazil reduced import tariffs for certain hygienic and pharmaceutical articles (ex 4014) from 10 to 0% and for certain amusement parks equipment (ex 9508) from 20 to 0% by Camex Resolution 51/2015 of 26 May 2015.

On June 24th 2015, the Brazilian government launched the “National Export Plan”, aiming to increase Brazil’s exports of goods and services. The intended result for this incentive-based instrument would be to increase productivity, competitiveness, income generation and economic growth of the country. This plan is based on projections of the International Monetary Fund, which foresee an expected average global growth of 4.8%
for the 2015-2020 period. The Brazilian government’s plan is based on several major pillars:

- **Market access**: Creating a policy focused on expanding markets, removing trade barriers and greater integration in the network of trade agreements through bilateral, regional and multilateral actions on tariff and non-tariff matters;
- **Trade facilitation**: Reducing bureaucracy, simplifying, streamlining and improving the administrative and customs procedures, aimed at reducing costs and shorter deadlines;

- The rules governing preferential offers and mandatory cessions for local reinsurers, and the limits on cessions for companies of the same economic group, have been altered. Brazil’s legislation in this area has been changed by the CNSP Resolution 322/2015 of 20 July 2015 which increases the limitation to foreign companies from 20% up to 75% over a transition period of 5 years lasting up to 1 January 2020.

- On 31 August 2015, two texts were published affecting taxation on wines and spirits, namely: Provisional Measure MP 690/2015 and Decree 8512/2015. These measures were slated to eliminate the current ad rem internal taxation model that is considered discriminatory against imported wines and spirits since it sets rates for imported products at least, and in most cases more than two levels/categories above rates for equivalent domestic products. The new system that is confirmed by the Law 13.214 of 30 December 2015 converting MP 690/2015 has introduced ad valorem rates applicable to both, domestically produced wines and spirits, preserving however protection for cachaça vs other spirits (5% difference in nominal tax rate).

**China:**

- In 2012, with the aim of further facilitating trade, China started implementation of the "Reform of Paperless Customs Clearance" to cover imports and exports via air, sea and land. Under this Reform, the approved pilot enterprises graded B or higher could choose to clear customs either through a paper or paperless customs declaration via the China E-port System. "AA"-rated enterprises and "A"-rated manufacturing enterprises, which are approved by customs, do not need to submit electronic supporting documents when making a customs declaration. At present (2014) the pilot programme is being implemented at all sites of 12 customs offices: Beijing, Fuzhou, Gongbei, Guangzhou, Hangzhou, Huangpu, Nanjing, Ningbo, Qingdao, Shanghai, Shenzhen and Tianjin. The remaining 30 customs offices are implementing a few of the pilot programs for paperless custom clearance at only one or two sites.

- **At the end of 2014, China increased its overseas online transaction limit from $10,000 to $50,000 in an effort to support cross-border e-commerce.**

- In September 2013, China launched the "China (Shanghai) Pilot Free Trade Zone" (SHFTZ). The main official aim of the zone is the testing of further market reforms. The objective is a system where (1) the state is more efficient (simplification of procedures, less red tape), adopts a supervisory role (ex-post control in lieu of pervasive approval/guidance), and is more coordinated (end to administrative fragmentation with a larger role for single agencies); (2) the going-out strategy of Chinese firms is supported via trade facilitation; (3) financial liberalisation is tested; (4) China tests the gradual opening to foreign companies in targeted service sectors, and prepares for the potential signature of bilateral investment agreements. A central pillar of the zone is the adoption of a pre-establishment, negative list approach to investment. While the list is close to that of the current Foreign Investment Catalogue, 37
sectors have been opened to foreign investment - mostly in the service sector, in sub-areas of financial services, internet and technology, healthcare, construction, travel services, entertainment, education, professional services. In addition, a single-window mechanism for filing procedure, accelerated business approval times, and notably a shift from pre-approval to ex-post supervision have been at the heart of the zone. So far, the zone has not had large business impact for foreign operators: implementation is slow, the negative list is still very wide, and there are physical limitations to activity in the zone. However, its policy impact may be significant and will be followed in future reports. On 24 March 2015, overall plans for three experimental free trade zones (FTZs) in Guangdong, Tianjin and Fujian were approved at the meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee. China’s Vice Minister of Commerce Wang Shouwen said in an interview with People’s Daily that China’s four free trade zones (FTZs) in Shanghai, Guangdong, Tianjin and Fujian have “shown a significant effect in attracting overseas investment.” Wang disclosed: In the two months since late April until now, 754 foreign-invested enterprises have set up in the four FTZs surpassing previous records, contracting a total of RMB 42.1 billion in foreign investment. These four FTZs, according to Mr. Wang, “further expanded the opening up areas, transformed government functions, improved trade and investment facilitation, accelerated financial innovation and strengthened regulation systems.”

- On 20 April 2015, the State Council issued a Regulation on National Security Review of Foreign Investment in Pilot Free Zones (Trial), which covers a wide area of investment projects, well beyond investment in defence, critical infrastructure or other classical security-related sectors.

- From January 2015, foreign investors are allowed to fully own e-commerce companies in a pilot scheme in the Shanghai Free Trade Zone (FTZ), the Ministry of Industry and Information Technology (MIIT) said in a brief statement that telecommunication authorities in Shanghai would take charge of the pilot scheme and regulate and supervise foreign investors. The ministry did not reveal any further details.

- The Decision of the State Council on Revising the Administrative Regulations on Foreign-invested Insurance Companies entered into force on August 2013 (Decision No.636). It plays a positive role in boosting the insurance industry. *Inter alia*, the minimum registered capital of joint-capital and foreign capital insurance companies have been reduced.

- On 16 May 2014, the EU and China signed a landmark mutual recognition agreement (MRA) of their programmes of authorised economic operators (AEO). Under the agreement, the EU and China commit to recognising each other’s certified safe traders, thereby allowing these companies to benefit from faster controls and reduced administration for customs clearance. Entry into force is foreseen for November 2015. EU authorities examine whether the new Chinese legislation on classification of trusted traders (GACC Order 225) published in October 2014 (see below) will entail any substantial change that would render necessary amending the Joint Customs Cooperation Committee (JCCC) Mutual Recognition Decision. The entry into force of the AEO MRA is the most prominent achievement of EU-China customs cooperation in years. The EU Authorised Economic Operator (AEO) status was launched in 2008, offering simplified customs procedures to companies that prove to be safe, reliable and compliant with security standards. Certified AEOs have fewer inspections on goods and speedier customs procedures and formalities. There are currently over 15 000 companies approved as authorised economic operators (AEOs) in the EU – a number which is continually rising, and representing around 2/3 of EU’s trade. Today’s agreement with China makes the EU certified trader system the most widely accepted in the world, given that the USA and Japan (as well as the EEA countries) are already in mutual recognition agreements with the EU.
China Customs published GACC Order 225 (Customs Interim Measures on Enterprise Credit Management) on 8 October 2014. The new system replaced the existing Customs Compliance Rating Scheme and entered into force on 1 December 2014. The Interim Measures require China Customs to establish an enterprise credit management system to collect enterprise information, conduct credit appraisal, supervise enterprises accordingly and disclose the enterprise credit-related information to the public. According to the Interim Measures, China Customs will place enterprises into one of three categories: the “Certified Enterprise”, the “General Enterprise” and the “Discredited Enterprise”. A Certified Enterprise obtains China AEO (Authorized Economic Operator) status. Preferential customs treatment will be provided for all Certified Enterprises, this treatment includes a lower customs goods examination rate and a simplified customs review process. For companies that qualify as a Senior Certified Enterprise, China Customs will designate a customs officer to help coordinate between the company and various functions and offices of China Customs. A Discredited Enterprise is a company, which has been found committing non-compliance activities within the last 12 months. Non-compliance activities include smuggling activities and other violations being penalized by China Customs for a cumulative amount of more than RMB1 million. A Discredited Enterprise will be subject to a higher customs goods examination rate as well as to tightened review of customs declaration documents and tightened supervision when they conduct/engage in processing trade activities. China Customs is also going to publicly disclose the enterprise credit system information on its website/notice board. This will include the enterprise category of a company, as well as its customs penalties that a company has been imposed for the past five years.

On May 29, 2015, the General Administration of Customs reduced a number of import tariffs for clothing, footwear, skincare products, diapers and other consumer goods. The cut aims at boosting spending in China. Starting June 1, 2015, the cut will reduce average import duties on clothing from 18.5 per cent to 8.5 per cent, shoes from 23 to 12 per cent and skincare products from 5 to 2 per cent. Major foreign skincare and cosmetics groups including L’Oréal of France, Estée Lauder of the United States, Shiseido of Japan and Amorepacific of South Korea, have all said they plan to cut prices on mainland China in consequence. However, experts doubt of the effect of these cuts, as import duty is only a small percentage of retail prices of imported goods on the mainland, Valued Added Tax (VAT) and consumption taxes accounting for a much greater share. These cuts will affect a maximum volume of €550 million, 0.33% of the EU exports to China. 80% of the trade concerned by the cuts is on cosmetics, which is the tariff line with a modest reduction (from 5% to 2%).

On 1 May 2015, the General Administration of Customs adjusted tariffs on the export of certain products as follows: 1. The tariffs on the export of certain products including steel granules and powder, rare earth, tungsten and molybdenum will be eliminated; 2. Zero rate duty will apply to aluminium processing materials, etc.

On 19 June 2015, the Ministry of Industry and Information Technology issued a notice to lift foreign ownership restrictions in the e-commerce sector, subject to certain existing rules. A day later, the State Council issued guidance to encourage the development of cross-border e-commerce flows, a wider initiative to push China’s e-commerce champions to expand overseas.

Rules published on 22 April 2014 by the State Council allow for foreign firms to obtain licenses for bank-card clearing by setting up units or acquiring local players. They took effect on 01 June 2015.

The State Council of China announced on 20 December 2014 the amendment to the Administrative Regulations of the People’s Republic of China (PRC) on Foreign Banks which took effect from 1 January 2015. The revised Regulations would improve
admission eligibility for foreign banks: (i) for foreign-owned or joint-venture banks operating within the territory of the PRC, requirements concerning the minimum amount of working capital allocated by their head offices have been abolished; (ii) the requirement of setting up a representative office in China has been abolished as a pre-condition for foreign banks (foreign financial institutions) to establish foreign-owned banks, Sino-foreign joint venture banks, or branches within the territory of the PRC.

- China’s 2015 Tariff Implementation Plan (which came into effect on January 1, 2015) also, in a broader effort to guide industrial upgrading and consumption of resources, includes a reduction of import taxes on optical fibre-equipped communication devices, advanced machinery and electric car parts.

Ecuador:

- MIPRO agreement 14241 (3/06/2014: ECU unilaterally recognized EU standards as equivalent to ECU technical norms and determined that a sworn declaration and the certificate of origin were enough to obtain the INEN1 particularly in force after the conclusion of the EU-ECU trade negotiations (17/07/(2014).

- Resolution 042/2014 adopted on 29th November and in force in Dec. 29th 2014. No new tariffs charges which have equivalent effect, quantitative restrictions or measures which have such an effect like the raise of levels of import duties or existent charges will be applied for imports originating from the EU. But the technical controlling entities have had different interpretations when applying these resolutions. Nevertheless the situation for EU imports improved since the last quarter of 2014.

- In August 2015, the Ecuadorian Government mentioned that it would issue an internal order, the Normative Institute – INEN-. After this order, it will not be allowed to require importers/ exporters any additional documents than those strictly defined in the regulations. This is a positive measure that would benefit all importers as the current non-objective request of documents to importers constitutes an obstacle to trade. With this measure, importers will spend less time in submitting new documents and having them notarized.

- Import quotas for EU products: the Government considers exempting EU imports from the total assigned quota regime, which appear in the ROP. The mechanism is to be defined. Therefore imports of EU origin will have no restrictions in volume or FOB value, except for car quota system still in place.

- As of January 2015, the Government has not reduced EU imports from the total assigned quotas to companies. Importers still have to register in the ROP but for statistics reasons only. Thus EU imports to Ecuador are unlimited except for vehicles, which are under a different quota regime.

Egypt:

- In 2009, Egypt announced the reduction of 250 customs tariffs. Customs tariffs would no longer be applied to some capital devices, machines and equipment, some raw materials and intermediate goods and non-locally produced wood. These items would be exempted from customs fees. The customs reduction was applied to all sectors which demanded a reduction in tariffs (such as engineering, chemical and wood industries) as long as no damage would be inflicted on local products. In March 2013 Egypt capped MFN applied duties on imports of hotel and tourist establishments, imports for infant milk factories, imports of the Arab Petroleum Pipeline Company, components and spare parts of turbine engines for railway locomotives, equipment for natural gas vehicles, environmental monitoring equipment, equipment and components of new and renewable energy as well as cars operating with hybrid
engines and natural gas. Inputs for assembly industries benefit from a MFN duty reduction depending on the local manufacture component of the final product. These measures, however, do not apply to preferential partners, including the EU, and therefore diminish the preferential margin.

India:

- Wheat and all varieties of non-Basmati rice (out of privately held stocks) were made free for export.

- Insurance Amendment Bill adopted in March 2015 provided for the increase in FDI cap in insurance and pension sectors from 26% to 49% and in August 2015, the Department of Industrial Policy and Promotion introduced composite caps for Foreign Investment. Since 15 August 2015, all types of foreign investments, direct and indirect, including FDI, FPI, Foreign Institutional Investor (FII), Non-Resident Indian (NRI), Foreign Venture Capital Investor (FVCI), Qualified Foreign Investor (QFI), Limited Liability Partnership (LLPs), Depository Receipt (DRs) of Transfer or Issue of Security by Persons Residents Outside India fall under one composite foreign investment cap.

- The Central Board of Excise and Customs (CBEC) issued a public notice number 09/2015 allowing custom officials not to refer shipments to Food Safety Standard Authority of India (FSSAI) in case of 5 consecutive reports. The decision comes up within the framework of the "Indian Customs Single Window Project" which was announced last year by the Minister of Finance (budget 2014) to facilitate trade. This project envisages that importers and exporters will electronically lodge their Customs clearance documents at only one single point with the Customs. The permission, if required, from other regulatory agencies (such as Animal Quarantine, Plant Quarantine, Drug Controller, Textile Committee etc.) would be obtained online without the importer/exporter having to separately approach these agencies. This would be possible through a common, seamlessly integrated IT systems utilized by all regulatory agencies as well as by the importers/exporters. The Single Window would thus provide the importers/exporters a single point interface for Customs clearance of import and export goods thereby reducing interface with Governmental agencies, as well as time and cost of doing business. In the context of establishing the Single Window with all regulatory agencies, the Board decided to implement an electronic online message exchange between the Food Safety and Standards Authority of India (FSSAI) and the Department of Plant Protection, Quarantine and Storage (PQIS) with the Customs that will have effect from 01.04.2015 at JNPT (NhavaSheva), ICD, Tughlakabad and ICD, Patparganj.

- In addition to the stimulus packages introduced by the new Foreign Trade Policy in 2015, other measures have been introduced in 2015:
  - The Special Additional Duty of Customs (SAD) on melting scrap of iron or steel, stainless steel scrap for the purpose of melting, copper scrap, brass scrap and aluminium scrap has been reduced from 4% to 2%.
  - BCD (Basic Customs Duty) and Countervailing Duty (CVD) are exempted on parts, components and accessories for use in the manufacture of tablet computers. Also, BCD and CVD are exempted on sub-parts for use in manufacture of parts, components and accessories of tablet computers. The exemptions are subject to actual user condition.
  - SAD has been exempted on all goods [except populated PCBs] for use in the manufacture of ITA bound goods.
BCD on raw silk (not thrown) has been reduced from 15% to 10%.

Indonesia:

- Indonesia introduced a new regulation “One Door Integrated Investment Services” on 23 June 2009, which aims to facilitate the procedural requirements related to foreign investments in the country, by removing unnecessary bureaucratic formalities and introducing more transparency in the approval of operational licence. The law foresees an electronic information system for the processing of licence applications; more decentralisation in the management of the system is planned as well. However, the exact implementation of the new law remains to be seen. In January 2015, President Joko Widodo inaugurated the 'one-stop investment shop' at the Coordinating Investment Board BKPM. Twenty two different ministries and agencies have delegated the authority to issue business permits to the Investment Board. So far, European businesses have responded favourably to the new developments, stating that the one-stop shop is indeed reducing the administrative burden.

- Decree 1176/2010 adopted in September 2010 provides for notification of cosmetics instead of pre-marketing registration, thus easing exporting procedures.

- By ministerial decree PMK 80/PMK.011/2011 the government temporarily scrapped import duties for 182 raw materials and capital goods to lower costs for local manufacturers. The 182 products, which will be exempt from import duties between April 18 and Dec. 31 2011, include 59 items in the chemical industry, one food item (soybean oil), 91 machinery items, 16 electronic items, 13 shipping items. Some of these reductions came after dialogue with European business arguing products were not in direct competition with the Indonesian industry. As of Jan. 1, 2012, import duties for all of the goods will return to 5 per cent. According to the ministerial decree PMK 213/2011, effective in January 2012, most of the import tariffs remained at 0% (import tariffs for textile machinery and few other products were raised from 0% to 5%).

- Ministry of Health issued a decree 1799/2010 that provides a response to Decree 1010/2008 so that research-based companies previously classified as pharmaceutical wholesalers (PBFs) can now apply for a pharmaceutical industry licence if undertaking any manufacturing stage (procurement of raw and packaging materials, production, and packaging, quality control and quality assurance). Still to be clarified is whether companies conducting R&D abroad will fall within the scope of the decree.

- On 3 July 2014, the Minister of Trade issued Regulation No. 36/2014 as a second revision of Regulation No. 83/2012. Regulation No. 36/2014 added Cikarang Dry Port and Bitung Port to the list of ports that can receive the restricted products mentioned in Decree 56/2008. Minister of Trade Regulations No. 46/2014 and 47/2014, dated 8 and 19 August 2014, somewhat eased the import procedures. They stipulate that the Surveyor Report must be issued at the latest 1 day after final shipping documents are received by the assigned Surveyor. They further mandate that the SPB-SNI application can be conducted online instead of manually. The Ministry of Trade committed to issue the SPB-SNI within 5 working days after all required documents are received by the Directorate General of Standardization and Consumer Protection. The Minister of Trade Regulation No. 73/2014, dated 14 October 2014 and effective 1 December 2014, moreover restores priority lane status.

- Bank Indonesia Regulation No. 16/10/PBI/2014, effective as of 1 June 2014, revises Bank of Indonesia Reg. 14/3023. It eases the obligation to report the use of foreign currency to a certain degree. The obligation to report the use of foreign currency directly to Bank of Indonesia is only applicable to export transactions with a value of more than USD 10,000 or its equivalent.
On January 11, 2016, the Investment Coordinating Board (BKPM) has launched a three-hour investment permit service for major investors. The service, part of BKPM’s One-Stop Integrated Service (PTSP) program, is aimed at boosting work-intensive investments. The three-hour service provides investors with eight licensing products plus one land booking permit. It also provides a special service to investors with capital of more than IDR 100 billion. The eight licensing products are investment permits, a taxpayer’s number (NPWP), a deed of business establishment, a decree from the Ministry of Justice and Human Rights, a certificate of company registration, a plan to hire foreign workers, the permit to employ foreign workers, an importing producer identification number, and a customs identification number.

Japan:

The Japanese government announced in February 2009 a $1 billion emergency programme to finance trade between developing countries, especially in Asia. The move is part of a coordinated initiative with the Asian Development Bank (ADB). A total of up to $2 billion in loans will be provided to private financial institutions in Asia, with a focus on ASEAN members. These financial institutions are to use the funds for lending to local companies for trade settlements and issuing letters of credit. The $2 billion pool is foreseen to support annual funding demand of around $4 billion. The funds will be made available to local financial institutions, rather than directly to companies, to ensure that even small and medium-sized businesses have access to it. The role of the programme is progressively diminishing.

The Organization for Small & Medium Enterprises and Regional Innovation Japan (SME Support, JAPAN) announced on 15 December 2011 that it will create investment funds jointly with the private sector (e.g. banks and trading houses) to support SMEs for their overseas expansion and M&A. The SME Support, which is an independent administrative agency under METI, aims to support SMEs to cope with the stronger yen and intensifying global competition. This scheme is also a part of the GoJ’s East Japan Earthquake Reconstruction process.

On March 15 2012, the SME Support opened a tender for investments into the following two types of funds. The one is the funds for overseas expansion which amount to Yen 5 billion yen (50% of which will be funded by the GoJ). The other funds are to help SMEs with acquisitions and the establishment of joint ventures overseas. The M&A funds are expected to be around Yen 4 billion, half of which will be subsidised by the GoJ. The SME Support is currently assessing the applications and the date of the start of the funds is not known yet.

On 5 October 2011, JBIC agreed with three Japanese major banks to set up an M&A credit line totalling $43 billion as part of the "Emergency measure package against the Yen's appreciation" to support overseas business expansion through M&A" announced by Ministry of Finance on 24 August 2011. On 23 February 2012, JBIC approved the first M&A credit line under the scheme to extend low-interest dollar loans to Sony Corp. and Toshiba Corp. JBIC will provide $819 million loan to Sony for full acquisition of Sony Ericsson mobile phone joint venture. Toshiba will receive $600 loan for the takeover of Landis+Gyr AG (Switzerland).

On 1 April 2012, the Japan Bank for International Cooperation (JBIC), which used to be the international wing of the Japan Finance Corporation (JFC), was spun off from JFC and became wholly government-owned entity.

In December 2011, the GoJ set out the "Programme for Promoting Japan as an Asian Business Centre and Direct Investment into Japan". This programme was formulated on the basis of the "New Growth Strategy" (June 2010) and the "Strategies to Revitalize Japan"(August 2011).
The Programme sets out the following three targets towards 2020: i) to promote the establishment of high value-added sites in Japan (e.g. Asian Regional Headquarters and R&D facilities); ii) to double the number of employees of foreign enterprises and iii) to double the volume of direct investment into Japan. METI established a subsidy scheme for global companies to help them establishing high-value added sites in Japan. The subsidy scheme will cover such costs for survey design, facility (buildings not land), equipment and facility rental charges. The subsidy rate is up to 50% for SMEs and up to one-third for non-SMEs with the ceiling of 1 billion yen. To date, METI has decided to subsidize the projects of 15 foreign companies (8 from the EU).

- The subsidy scheme for purchasing eco-friendly cars was re-introduced from December 2011 to 31 January 2013 after it was once terminated in September 2010 due to the exhaustion of the budget. The GoJ will subsidize Yen100,000 for passenger cars meeting the required fuel efficiency standards and Yen 70,000 for Kei-cars. The total budget of this scheme is Yen 300 billion. The scheme will also cover the cars imported under the PHP (Preferential Handling Procedures).

Malaysia:

- The International Trade and Industry Ministry of Malaysia (MITI) has announced a review of steel policy, which will ultimately lead to reductions in duties on the imports of steel and the introduction of a set of Malaysian standards for imported steel products. The motivation for the review is to enhance the competitiveness of the Malaysian steel industry. The measures are implemented since 1 August 2009.

- Since 22 April 2009, 100% foreign equity is allowed in 27 specific subsectors of services, including health and social services (veterinary, welfare, and childcare services), tourism, transport, business services, computer and related services. On 27 April 2009 a relaxation of foreign investment conditions in financial services was announced. Foreign equity limits were increased from 49% to 70% for investment banks, insurance companies and takaful (Islamic insurance) operators. A higher foreign equity limit above 70% is considered on a case-by-case basis for insurance companies. More flexibility for operations of locally incorporated banks, insurance companies, and takaful operators has been granted.

- On 30 June 2009, the Government announced the liberalisation of the Foreign Investment Committee (FIC) guidelines, including the repeal of FIC Guidelines on the acquisition of interests, mergers and takeovers. The Guidelines originally contained a bumiputera equity requirement, whereby bumiputera (ethnic Malays) had to hold a combined 30% stake in locally incorporated companies. Following the repeal of the FIC Guidelines, for newly listed companies, the bumiputera requirement is 12.5% and it can be further reduced if more shares are issued at a later stage. Also, foreign equity limits were raised from 49% to 70% for stock-brokering firms and unit trust management companies, and from 70% to 100% for fund management companies providing wholesale services. However, sectors of 'national interest' are not to be liberalised. Bumiputera participation requirements continue to exist in banking and insurance, certain manufacturing sectors (i.e. fabrics and apparel of batik, integrated Portland cement), agriculture, defence, energy, telecommunications, water.

- On 10 June 2010, Malaysia introduced the "10th Malaysia Plan" (MP). The MP lays down the government’s policy priorities over the next 5 years, with the goal of achieving high-income nation status by 2020. The plan outlines the government’s approach to a comprehensive economic transformation, on the understanding that successful economic policies of the past will not support the necessary 6% per annum GDP growth required to reach this goal. This should be achieved through: broad policy and regulatory reforms to support and drive a private-sector led economy; renewed investment in human capital development; a new focus on specialization in key sectors which include oil and gas, palm oil and related products and
financial services; bolstering global competitiveness and Trade, including by means of a new Competition Law, the removal of price controls and subsidies and further liberalization (particularly in the services sector) including the expansion of Malaysia’s WTO commitments to liberalise 65 services subsectors; and an alleged "shift" in the bumiputera policy, with less emphasis on affirmative action policies and more programs to focus support on the bottom 40% of households, with a "market friendly, merit based, transparent and needs-based approach".

- In July 2011, the Government announced liberalisation measures in three services sector (healthcare, education and professional services), including the removal of foreign equity restrictions, to take place in phases.

- As announced in October 2011 for the "Budget 2012", the Government commenced the further liberalisation of 17 services subsectors "in phases". This is to allow up to 100% foreign equity participation (but also as low as 40%, in the case of Legal Services). The 17 subsectors are the following: Telecommunication services (Network Service Providers and Network Facilities Providers licences; Telecommunication services (Application Service Providers licence); Courier services; Private hospital services; Medical specialists services; Dental specialists services; Private higher education institution with university status; International school; Technical and vocational secondary education services; Technical and vocational secondary education services (for students with special needs); Skills training centre; Accounting and taxation; Legal services; Departmental stores and specialty stores; Incineration services. However, there is a lack of transparency on the level of implementation of these liberalisation measures and the legal enforcement procedures.

- In November 2014, amendments to laws governing architectural services, quantity surveying services and engineering services were passed which eased restrictions on foreigners working in these professions in Malaysia. The amended laws entered into force in 2015. These laws are:
  - Quantity Surveyors (Amendment) Act 2015;
  - Architects (Amendment) Act 2015;
  - Registration of Engineers (Amendment) Act 2015.

- Customs Duties (Amendment) Order 2015 lowers the tariff for certain steel products from 20% to 15%. Published on 5 March 2015.

Mexico:

- In November 2012, the Mexican Ministry of Economy unilaterally reduced and in some cases eliminated MFN tariffs on 490 tariff lines in the agricultural and chemical sectors, to further enhance competitiveness in the sectors concerned. This tariff reduction completes the reductions initiated in 2008 (which affected most industrial products) and continued earlier this year with a reduction affecting mostly industrial inputs and some consumer goods. As in previous occasions, the reduction or elimination of tariffs is scaled over a four or five-year period respectively.

- In December 2008, the Mexican Government took a unilateral decision to gradually eliminate, by 2013, import tariffs on over 70% of products. The tariff reductions are scheduled to be implemented in five stages, beginning in 2009, with subsequent tariff cuts occurring on the first day of 2010 through 2013. The fourth and last phase of the programme (January 2012) reduced duties on 200 tariff lines, 113 of which saw their duties reduced while the remaining 87 saw their duties drop to zero. Products concerned include liquors, wines, packed fish,
television screens, health-related products and clothing. These reductions to import tariffs are in addition to the 200 tariff duties eliminated in December in the context of the elimination of antidumping duties on imports of certain Chinese goods.

- Mexico's automotive industry benefits from the elimination of import tariffs for car parts and spare parts between Brazil and Mexico as of 14 July 2009. Economic Complementation Agreement (ECA no. 55) for the automotive sector between Mexico-Brazil-Argentina-Uruguay-Paraguay. On 30 June 2011, Mexico's Ministry of Economy published in the Official Gazette of the Federation the amendments to the ECA No. 55, for Mexico and Brazil, Argentina and Uruguay. These amendments were incorporated by Mexico and Paraguay since 8 April 2011. These amendments, part of the first Additional Protocol to ECA no. 55, establish that from 1 July 2011 cars, light vehicles, bodies, trailers, semi-trailers and tractors will benefit from free access between these countries. Regarding heavy vehicles and buses, the parties agreed to gradually reduce the respective tariffs until total elimination by 1 July 2020. In 2012 though, after Brazil threatened to denounce the ECA No. 55 agreement, Mexico agreed to limit car exports to Brazil to roughly $1.55 billion USD a year for three years in the form of duty free quotas, after which both countries will return to free trade in cars.

- In August 2009, Mexico consolidated the initiative to exchange of electronic certificates of origin with Colombia, by introducing the necessary modifications in their FTA.

- Modifications to FTA Mexico-Colombia: In August 2011 Mexico and Colombia deepened their FTA in order to increase trade of several industrial and agricultural products by incorporating such products (mainly agro-industrial) into their tariff relief programme.

- As of 1 June 2011, EU exporters can benefit from importing temporarily to Mexico commercial samples, professional equipment and goods for use at trade fairs free of import duties and charges, thanks to the appointment of the Mexico City Chamber of Commerce as the national guaranteeing and issuing organisation for ATA Carnets in Mexico for the next five years.

- Mexico's Customs Administration will render the second revision of goods imposed in Mexican customs on certain goods more flexible. The physical inspection of the merchandise will be replaced by non-intrusive technological methods such as X-ray, a move which, security factors aside, is expected to accelerate the revision process and therefore cut down on costs related to the storing of goods in Customs warehouses. The measures will be applicable as of September 2011.

- The governments of Mexico and five Central American countries (Costa Rica, Nicaragua, El Salvador, Guatemala and Honduras) signed a FTA that unifies the existing bilateral FTAs in one body.

- Since 2 January 2012, holders of trademarks that have been registered with the Mexican Industrial Property Institute (IMPI) may request the listing of their trademarks at the Mexican Customs Office. The purpose of the listing is to facilitate the identification of goods illegally bearing trademarks registered in Mexico and being imported into the country. The listing will expedite the immobilization of goods and the filing of criminal or administrative legal actions.

- Following the elimination of antidumping duties on imports of certain Chinese goods on 12 December, the Ministry of Economy implemented new measures to combat contraband and undervalued goods originating from China and pertaining to the textile footwear and apparels sectors. In addition to pursuing regular anti-dumping and safeguard actions, Mexican customs launched a new price alert system to detect any practices of undervaluation that may adversely affect domestic producers. Imports whose value is below the reference price (provided by the domestic industry) of either the product itself or in some cases the actual raw material used to
fabricate the product (such as leather in the case of footwear) will be flagged and the collected data will be used to generate information and risk analysis models that will enable the Mexican authorities to carry out comprehensive audits. Mexican customs indicates that this price alert system will initially focus on 400 textile tariff lines and will subsequently incorporate tariff lines of Chapters 61, 62 and 64.

- In April 2013, Congress approved a reform in the telecommunications sector, which extended investment opportunities in telecom and television services sectors. The secondary legislation for the implementation of the telecom reform was adopted in June 2014, ending the long dominance in the Mexican telecom market of América Móvil (telephony) and Televisa (television).

- In 2013, the Mexican Ministry of Economy unilaterally decreased MNF tariffs of 20 and 10% respectively on lemons and green tomatoes, in addition to opening an annual tariff-free 300,000 tons quota for imports of chicken. The elimination seeks to lower the price of these agricultural products on the domestic market, which suffered increases of around 80% since the beginning of 2013.

- In February 2013, Mexico became the third country in Latin America to be a party of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

- In October 2013, the Mexican Congress approved a bill reforming Mexico's Customs Law. The bill provides for facilitation and simplification of customs procedures, gives trade operators enhanced legal certainty in foreign trade matters, promotes competition between various service providers, and provides the customs administration with tools and mechanisms that seek efficiency in customs control. On 20 April 2015, the Ministry of Finance published the implementing regulation of the 2013 Customs Reform; Reglamento de la Ley Aduanera. The regulation covers all the main components of the customs reform of 2013, aimed at promoting transparency and simplifying procedures related to foreign trade operations. These include, among others, the possibility of carrying out the custom clearance of goods in a place other than the one for which it was authorised, regardless of volume and type of merchandise; the use of customs brokers will no longer be mandatory; all customs operations will be conducted online and second Customs review is voided in order to expedite trade. The New Regulation entered into force on 20 June 2015.

- The Mexican Congress adopted a new Competition Law in April 2014, which addresses issues of dominant position and anti-competitive practices. On 9 July 2014, the Mexican Congress voted the secondary legislation for the implementation of the telecom reform. The main results include: a new independent and strong regulatory body, IFT (Instituto Federal de Telecommunicaciones), which oversees the telecom market and with power to impose sanctions on dominant players; The creation of the concept of sector dominance, whereby players with a market share of more than 50% will be subject to asymmetric regulations in order to reduce their share; in telephony, the roaming (between states) is eliminated, interconnection fees are brought down to zero, it will be prohibited to sell devices which are blocked for a single service provider and the device should be unlocked after the termination of a service contract and a change from one operator to another should be executed within max 24 hours; in television, those companies offering open television must offer to companies with restricted (pay) television services those programs which cover more than 50% of the national territory for free.

- In December 2013, the Mexican Congress approved a reform in the energy sector with the aim to open the oil, gas and electricity to national and foreign private investors. On 31 October 2014, the Mexican government announced the adoption of 9 implementing regulations
and 16 decrees that set out rules and details in order to implement the energy reform and make it operative for local and foreign investors.

- On 29 December 2014, the Ministry of Economy established rules to facilitate obtaining permits for importing and/or exporting hydrocarbons and oil-related products.

- Following the publication in the DOF of the operative rules for the electric wholesale market in Mexico back in February 2015, the Energy Regulatory Commission (CRE) published the rules concerning imports and exports of electricity on 16 December 2015. The CRE is the only entity with the power to grant and enforce permits for the generation, import and export of power by private parties.

- On 10 December 2015, the Mexican Congress approved the Energy Transition Law, which formally establishes Clean Energy Certificates as an obligatory mechanism, and establishes intermediary goals towards obtaining 35% clean energy in the electricity mix by 2024. The text of the Law has not been published in the DOF yet.

- In August 2013, the Mexican customs authorities as well as the Health Agency COFEPRIS designed a series of trade facilitation measures aimed at speeding up procedures in customs clearance. A Custom authority project seeks to homologate import and export criterions in all 49 custom entry points of the country. This project is the first pillar of a four-axed strategy, which also includes projects focusing on improving risk management, further digitalising of custom procedures via a single window as well as creating the position of an external trade appraiser. As for COFEPRIS, the institution published a set of guidelines which would help custom officials to better identify the authenticity of import permits and has made progress throughout the year in harmonising regulations for the pharmaceutical market within Latin America.

- Elimination of import tariffs on 21 medicines tariff lines (HS 30) effective December 2013.

- In July 2014, the Mexican Ministry of Economy decided to re-open a tariff-free quota for poultry and its residues applicable as of 31 July 2014, following a continued shortfall of poultry residues used in the cold meat industry. In September 2014, the Government opened a 100,000 ton import quota for chicken and turkey pieces used for the production of cold meats, to be enforced between the 15 August until December 2014. On 22 December 2015, the Ministry of Economy extended the tariff-free import quota for fresh and frozen chicken from any country for an additional two years. The measure was initially announced on 16 May 2013 and was due to expire on 31 December 2015. The amount assigned remains the same, i.e. 300,000 tons, but will be valid until 31 December 2017.

- On 1 September 2015, the Mexican Ministries of Economy and Health published the list of products for which sanitary certificates are no longer required when imported to Mexico. This measure follows the earlier decision (22 December 2014) to classify these same products as low health risk imports.

- On 28 September 2015, Mexico and China approved SPS certificates for Mexican exports of white corn, frozen beef and some dairy products (powdered milk, baby formula and milk serum).

- On 10 December 2014, the Ministry of Economy reduced import tariffs on motorcycle tires and created tariff-free quotas for 5 tariff lines related to pork (0203.11.01, 0203.12.01, 0203.19.99, 0203.21.01, 0203.22.01 and 0203.29.99).
• On 15 September 2015, the Rules of Origin on various textile-related products including, among others, synthetic filament yarn, elastomeric yarn, wadding fabrics, wool fabrics were made more flexible.

• On 14 December 2014, Mexican Congress approved a legislation, which seeks to open the country’s rail freight sector, by guaranteeing the interconnection of railways as well as providing conditions of fair competition in the services offered.

Nigeria:

• As part of the fiscal measures accompanying the 2013 Budget, the duties on machinery and spare parts imported for the establishment of local sugar manufacturing industries, on commercial aircrafts and aircraft spare parts imported for use in Nigeria, on machinery and equipment imported for the development of the solid minerals sector, on completely knocked down (CKD) components for mass transit buses of at least 40-seater capacity, as well as on amorphous polyethylene terephthalate (PET) chips were reduced to 0% (however, problems were recorded with Customs resisting the application of the new regime).

• The importation of some machinery and equipment has become duty free. For 84 items, constituting mostly capital goods (such as food preparations, chemicals, machineries and equipment for agriculture, aviation, cement, hospitality, power, iron & steel, solid minerals and textile), import duty rates have been set at a lower rate than the ECOWAS CET to encourage more development in sectors considered strategic for the Nigerian economy (so-called National List, attached as Annex II to the circular No 013/2015 of the Comptroller-General of Customs of 31 March 2015 that launched the CET).

Pakistan:

• The Government of Pakistan (GoP) welcomes foreign investment and offers some incentives to attract new capital inflows, including tax exemptions, reduced tariffs, and infrastructure and investor facilitation services in designated special economic zones. Since 1997, Pakistan has established and maintained a largely open investment regime. In order to increase its competitiveness as an investment destination, the GOP announced the Investment Policy 2013, which liberalizes investment policies to nearly all sectors. There is still a need for an improved law and order situation, enhanced legal protection for foreign investment, including intellectual property rights, and a clear and consistent policy of upholding contractual obligations and settlement of tax disputes. Pakistan’s Overseas Chamber of Commerce and Industry (OICCI), which represents 196 foreign investors in Pakistan, however released a “Perception and Investment Survey” in January 2014 which showed that more than 80% of its members were optimistic that the new government would improve the business climate.

• In October 2015, Pakistan became the 51st WTO Member to have ratified the Trade Facilitation Agreement (TFA).

• The National Trade and Transport Facilitation Committee (NTTFC) was formed with UNCTAD support in 2001. It meets biannually and is being chaired by Secretary Commerce. A Web based One Customs (WeBOC) system was adopted by Pakistan Customs at all Custom stations in 2014. The implementation of this measure started in 2012. The system provides custom approvals within 2/10 hrs of the uploading of standard forms.

• To facilitate electronic documentation at all trading locations in Pakistan the UN (location codes for trade and transport) LOCODE was enforced in 2013. Trainings on standard trading conditions for freight forwarders on minimum qualification standards and code of conduct were held regularly in 2013 and 2014. The Master Trainers continue to impart trainings in 2015, with the support of UNCTAD and FIATA.
• All port authorities in Pakistan are compliant with IMO's ISPS code (International Maritime Organisation's International Ship and Port Facilities Security).


Philippines:

• In June 2014, the House and Senate of the Philippines approved an amendment to the Foreign Banking Bill, raising the equity limit on foreign ownership of subsidiaries or acquired local banks from 60% to 100%, removing the limit on the number of subsidiaries or acquisitions and the limit on the number of foreign banks (currently 10) that may enter the country as a full branch, as well as the limit on the amount of the total resources of the banking system that may be held by foreign banks from 30% to 40%. This law will allow foreign banks to participate in mortgage foreclosure proceedings (i.e. without transfer of title).

• On 21 July 2015, the Philippines adopted and signed a long-awaited competition bill or "An Act Providing for a National Competition Policy prohibiting Anti-competitive Agreements, Abuse of dominant position and anti-competitive mergers and acquisitions, establishing the Philippine Competition Commission and Appropriating Funds Therefore" (Republic Act 10667).

• On 21 July 2015, the Philippines adopted and signed a law liberalising some of the existing cabotage restrictions: "An Act Allowing Foreign Vessels to Transport and Co-Load Foreign Cargoes for Domestic Transhipment and for Other Purposes." (Republic Act 10668).

• On 1 July 2015, Department of Trade and Industry adopted Administrative Order No. 15-01 on 'Measures to Facilitate the Issuance of the Import Commodity Clearance', facilitating imports of electronic goods and by simplifying the issuance of import commodity clearance (ICC), within three working days from filing and reducing the products covered by mandatory certification, including de-listing of ceramic tiles;

• On 20 February 2015, The Philippines launched its e-Registry System for Authentication Certificates following President Aquino's earlier signature of the instrument of Accession of the Philippines to the Apostille Convention. In a "Verbal Note" to the EU Delegation (7 May 2015) the Philippines indicated that full implementation of the Convention is to start soon.

Russia19:

• By Decree No. 371 of 30 April 2009 Russia amended its customs code and decreased import duties on oil and pitch cokes, as well as graphitized electrodes, to 0% and 5% respectively.

• Decree No. 400 of 8 May 2009 reduced the import tariff on magnesium scrap and waste from 15% to 5% of their customs value in order to increase supply.

• Decree No. 442 of 25 May 2009 abolished a 5% import duty on skins and hides. The new duty is set at 0%.

19 The duties at 0% rate were made permanent under the Customs Union’s Single Customs Tariff.
• Decree No. 533 of 25 June 2009 extends a zero per cent import duty on some raw materials (paints, leather) used by the shoe industry.

• Decree No. 664 from 19 August 2009 extends a zero per cent import duty on certain types of LCD screens (codes 8529 90 870 1 and 8529 90 870 2) for the period of nine months.

• Decree No. 700 from 28 August 2009 introduces a zero per cent duty on ceramics used to produce catalysts (CAT) for cars.

• Decree No. 696 from 21 August 2009 establishes a zero per cent duty on certain types of medical equipment.

• Decree No. 803 of 5 October 2009, abolishes CN code 8462 10 100 0 with import duty rate of 10%; introduces two new CN codes 8462 10 100 1 with a zero rate of import duty (stamping presses numerically controlled with automatic loading and unloading for stamping body parts, etc.); and retains the zero rate of import duty for the new CN code 8462 10 100 9 (Other).

• The Government extended a 0% import duty on certain types of equipment for the metal-processing industry.

• Customs Union ("CU") Commission Decision No. 279 from 20 May 2010 sets a zero-percent duty on sheets from tropical wood (code 4408 39 310 0).

• CU Commission Decision No 328 from 16 July 2010 eliminated an import duty on civic aviation planes (code 8802 40 003 2, and 8802 40 004 2) brought into the territory of the CU under the regime of temporary importation for contracts concluded before 31 December 2013 for the period of five years. Planes with the number of passenger seats between 50 and 111, 170 and 219 were excluded from this decision. The measure entered into force on 18 August 2010. Council of the Eurasian Economic Commission's Decision No 44 of 15 July 2015 brought the import duty rates for civic aviation planes in the Single Customs Tariff of the Eurasian Economic Union (EAEU) in line with Russia's WTO commitments. Kazakhstan was permitted to apply lower import duty rates for civic planes to avoid inconsistency with its commitments as a new WTO member.

• The Council of the Eurasian Economic Commission's Decision N°101 of 13 December 2013 eliminated the import duty and taxes on civil aviation planes with an unloaded weight of more than 120,000 kg (code 8802 40 009 1) brought into the territory of the CU under the regime of temporary importation for up to 5 years. The Collegium of the Eurasian Economic Commission's Decision N°6 of 31 January 2014 also eliminated the import duty on civil aviation planes (codes 8802 40 003 5, 8802 40 003 6, 8802 40 004 5, but with the exception of airplanes with a maximum seating capacity of more than 50 seats and less than 110 seats) brought into the territory of the CU under the regime of temporary importation for contracts concluded before 31 December 2013 for the period of five years under agreements signed, and planes placed under the customs procedure of temporary importation until 1 January 2017.

• The CU Commission Decision No. 348 reduced the import duty rate on wine materials imported in containers of more than 227 litres (codes 2204 29 110 1, 2204 29120 1, etc.) from 20% to 15%.

• CU Commission Decision No. 327 from 20 May 2010 sets a zero-per cent duty on wolfram and metal-ceramics scrap (codes 8101 97 000 0 and 8113 00 400 0).

• CU Commission Decision N° 278 from 20 May 2010 eliminated a duty on some materials used for production of solar energy modules (code 8541 40 900 1) or a 5% duty (code 7007 19 800 1).
In February 2010, Russia cancelled the obligatory certification for foodstuffs, cosmetics and perfumery. Instead of special laboratories, which used to conduct tests of these goods, the manufactures have started to indicate quality and safety of their products in voluntary conformity declarations.

An import duty for certain types of trucks was lowered from 25% to 15% (code 8407 10 102 2).

Import duties were eliminated on certain rubber mixes (code 4005 99 000 0); on coking coal (2701 12 100 0); on heparin and its acids (3001 90 910 0); on certain types of machinery used in the forestry sector (8427 90 000 1); on certain types of railway carriages (8603 10 000 2); on certain types of passenger planes (codes 8802 40 003 2, 8802 40 004 2, 8802 40 004 3, in accordance with the Decision of the CU Commission No. 592 from 2 March 2011); on certain chemicals (code 2510 20 000 0, in accordance with the Decision of the CU Commission No. 661 from 19 May 2011); and on two types of chemicals (codes 2711 14 000 1 and 2901 24 100 1, decision N° 900 of the CU Commission from 09.12.2011).

In 2011, the Eurasian Economic Commission issued a decree lifting import duties on industrial equipment and components used for the purposes of construction and maintenance of the nuclear power station in Belarus.

The application of the 5% import tariff on some categories of paper (CU CN Codes: 4810 13 800 9, 48 10 19 900 0, 4810 22 100 0, 4810 29 300 0, 4810 92 100 0) instead of 15% was prolonged until 31.12.2012 by CU Commission Decision No 917 of 25 January 2012.

An export duty on nickel was cut by 1.7 times in accordance with the governmental decree signed on 3 February 2012. The rate of export duty on nickel was set at $1,245.5 per tonne effective from 5th March 2012.

The rates of export duty on many tariff lines of raw timber were cut in January 2012.

The CU Commission took the decision to speed up the implementation of uniform export control procedures at the external borders of the CU in accordance with the CU Agreement on single export controls by the member-states of the CU.

Federal Law No 322-FZ of 16.11.2011, which amended Federal Law No 57-FZ, removed some restrictions for foreign investments in strategic sectors of the Russian economy. International financial organizations, which have agreements with Russia or which are established with Russia's participation, were withdrawn from the scope of the Federal Law No 57. The limits that restrict the ownership of shares by foreign investors of strategic enterprises, their possibility of voting in the management bodies of the enterprise, have been somewhat mitigated. Some kinds of business activities were excluded from the list of strategic kinds of activities (e.g. the use by banks of cryptographic means, the use by clinics and hospitals of radiological equipment).

Increased import duties on several agricultural products were introduced by means of three decrees published on 31 January 2009, which entered into force one month after publication. The decrees increased import duties by 5% on soy meal for a period of 9 months (Decree No. 70). As of 16 December 2009 the Government Decree No. 1019 extended a 5% import duty on soybean oil meal for an indefinite period. The duty increase was consolidated under the Single Customs Tariff of the CU. For a short period until 31 July 2011, the duty on soy meal was removed, by the CU Commission Decision N.620 of 7 April 2011.
President Medvedev signed Federal Law No 86 of 19 May 2010 that amended the basic legislation on the legal situation of foreigners in the Russian Federation (Federal Law No 115 of 25 July 2002). The amendments, which entered into force on 1 July 2010, created a new category of “Highly Qualified (foreign) Specialists” (HQSs), for whom the conditions for visas and work permit application have been much simplified. In November 2014, president Putin signed the Federal Law “On Amendments to the Federal Law on the Legal Status of Foreign Citizens in the Russian Federation” (after being scheduled for submission by the Russian Federal Migration Service to the Government in 3Q2013 and Duma in 1Q2014). The law aims at streamlining the procedure of entry, exit and stay in Russia for foreign citizens arriving for business purposes, and those involved in the investment and business activities, as well as foreigners who are employees of foreign companies registered in Russia. The amendments could also simplify this procedure for such foreign citizens' family members, including the removal of the restrictions on their employment and training in Russia.

Some steps in reforming Russian standardization were made with the adoption of the Federal Law No 255-FZ of 21 July 2011 which amended the Technical Regulation Law. It envisaged, in particular, the creation of a national body for accreditation. The Federal Service for Accreditation (Rosakkreditatsia) was established in October 2011, thus depriving many Russian Government bodies (the Ministry of Regional Development, the Transport Ministry, Rosselkhoznadzor, Rossvyaz, Rosstandart, Rospotrebnadzor, Roszheldor) of the right to accredit certification bodies and testing laboratories.

CU Commission's Decision N° 319 of 18 June 2010 "On technical regulation in CU" introduced single rules and forms for conformity assessment procedures and single list of products subject to mandatory conformity assessment. On 31.12.2015 there were 35 adopted technical regulations, of which 34 are in force.

On 29 June 2012, the Russian Government approved the Customs regulation roadmap, which was prepared by the Agency for Strategic Initiatives, reducing the amount of paperwork for customs clearance of import goods from 10 to 4 documents and the clearance deadline from 25 to 7 days by 2018. For export goods there should be a corresponding reduction from 8 to 4 documents and from 25 to 7 days. Decisions to release goods (including before customs duties are paid, if banking guarantees are provided) would be based on preliminary information as part of risk management, electronic communication should be introduced, and customs officials at border check points should be entitled to release goods.

The CU's Agreement on Uniform Regulating Principles of Intellectual Property Rights Protection of 9 December 2010 stated that Russia, Belarus and Kazakhstan should rely on the common international framework for the protection and enforcement of IPR, and abide by the principles of the WTO TRIPs Agreement and international agreements managed by the WIPO.

The Ministry of Trade and Social Protection published a list of occupations, professions and jobs requiring high qualifications, which shall not be subject to quotas for the employment of foreigners. It comprises a total of 62 lines, including business, culture, high-tech and engineering (the Ministry's Order N°768n of 20 December 2013).

The Collegium of the Eurasian Economic Commission's Decision N°181 of 27 August 2013 reduced the special duty for kitchen and tableware of porcelain to 1035.3 USD per ton. The duty rate is effective from 29 September 2014 to 28 September 2015.

Based on the Collegium of the Eurasian Economic Commission's Decision N°67 of 13 May 2014, producers of natural diamonds and manufacturers of products from natural diamonds are permitted to export their goods without any requirements or restrictions.
• The Collegium of the Eurasian Economic Commission's Decision №64 of 13 May 2014 lowered import duties on certain kinds of tropical timber (CU CN code 4408 39 850 9). The zero-rate duty is effective until 31 May 2016.

• Further to Federal Law №22-FZ of 4 March 2014, auctions have been excluded as a method to allocate tariff quotas. The elimination of their use was one of Russia's commitments under the WTO. Thus, quota allocation will be based in Russia as a result of competition, or be proportional to the volume of goods imported from the foreign country to Russia for a certain period.

Saudi Arabia:

• In June 2014, Saudi Arabian general investment Authority (SAGIA) established a foreign investment licence Fast track Service that supports targeted types of companies (strategically prioritised). Starting January 2016 SAGIA will be reducing the number of required documents to obtain a licence to three main documents: commercial registration, financial status, business plan. Additionally, the possibility to extending licenses up to 15 years depending on company size and sector. SAGIA's long-term goal is to coordinate with other government institutions in creating a one-stop-shop for persons intending to operate a business in Saudi Arabia.

• SAGIA informed in August 2015 of easier access for construction companies to state tenders.

South Africa:

• On 24 July 2009, South Africa introduced a full or partial reduction of MFN tariffs (previously set at the level of 5-10%) on a range of secondary aluminium products (aluminium bars, rods and profiles, aluminium plates, sheet and strips, as well as aluminium foil. HS subheadings 76.04 to 76.07). Current applicable duty for these products imported from the EU ranges between 0%, most of the products, and 5%. (Notice R. 762)

• On 7 August 2009, South Africa eliminated the 20% MFN tariff on electric heating resistors and solid plates used in the manufacturing of stoves, hobs and cookers, which are not produced domestically (HS subheadings 85.16 and 85.17). (Notice R.815)

• On 14 August 2009, South Africa eliminated additional tariffs in sectors such as chemicals, machinery and capital equipment (HS chapters 84 and 85,) in line with the Government's plan to eliminate import duties on inputs not produced locally, in order to lower costs for downstream manufacturing. (Notice R. 832)

• On 14 October 2011, the MFN rate of duty on imports of lysine and its esters and feed supplements containing by mass 40% or more lysine (HS Subheadings 2922.41 and 2309.90.65) was reduced from 10% to free of duty.

• On 14 October 2011, a duty on plastic bags with a low-density polyethylene (HS subheading 3923.21.90) was reduced from 15% to free of duty.

• Under the Industrial Policy Action Plan for the period 2012/13 to 2014/15 the government will renew its efforts on improving cross-border infrastructure (road and rail), particularly in relation to the north-south corridor, which links the port of Durban to the DRC. No funding targets were announced.

• Large-scale infrastructure investment programmes, including projects to facilitate enhanced exports were announced in the 2012 Budget. These include national rail and port infrastructure improvement projects by Transnet to the tune of R300bn over the next seven years; the
development and integration of rail, road and water infrastructure, centred around the Waterberg and Steelpoort areas of Limpopo, to facilitate coal, platinum, palladium, chrome and other minerals exports; and the development of a 16-million-ton-a-year manganese export channel through the Port of Ngqura in the Eastern Cape.

- On 18 May 2012, South Africa eliminated duties on tomato paste in containers 200 litres or more used in the manufacture of food preparations (HS subheading 2002.90). (Notice R.376)
- On 18 May 2012, South Africa eliminated duties on products for the manufacture of artificial turf (HS subheadings 5409.1, 5404.90, 5407.20 and 5512.19). (Notice R.377)
- On 03 August 2012, eliminated duties on mechanisms for the manufacture of loose-leaf binders of paper and paperboard and of plastics (HS subheading 83.05). (Notice R.609)
- On 14 September 2013, South Africa decreased customs duty on electrical motors and generators (excluding generating sets), (HS subheadings 8501.61.10, 8501.61.90 and 8501.62) from 5%, 10%, and 10% to free of duty. (Notice R.748)
- On 12 October 2012, with retrospective implementation on 01 January 2010, eliminated duties on goods (excluding those covered by rebate item 551.02) in respect of which environmental levy has been paid and which are exported to a BLNS country as defined by rule 54F.01. (Notice R.841)
- On 30 November 2012, an Explanatory Memorandum on the European Free Trade Association (EFTA) clarified customs duty levels for 2013, with various implementation dates.
- On 28 December 2012, with implementation on 01 January 2013, introduced rebates on duties to car components under the new Automotive Production and Development Programme (APDP). (Notice R.1111)
- On 28 February 2013, with implementation on 01 March 2013, South Africa created a rebate of the MFN rate of customs duty on petroleum bitumen (HS subheading 2713.20) in such quantities, at such times and under such conditions as the International Trade Administration Commission of South Africa (ITAC) may allow by specific permit. (Notice R.133)
- On 28 March 2013, with implementation on 01 April 2013, reduced MFN rate of duty to 0% for video recorders, with eight or more input channels and a customs value exceeding R13,000, as well as other ones (HS subheadings 8521.90.10 and 8521.90.90). (Notices R.227 and R.228)
- On 7 June 2013, South Africa reduced the MFN rate of customs duty on polyether-polyols from 10% to 0% (HS subheading 3907.20.15) and eliminated duties on sodium hydroxide for use in the manufacture of sodium metasilicates (HS subheading 3907.20.15). (Notices R. 386 and R.384)
- On 18 October 2013, South Africa reduced the MFN rate of customs duty on laminates of phenolic resin with a basis of paper (HS subheadingS 3921.90.07 and 3921.90.09). (Notice R.774)
- On 29 November 2013, South Africa reduced the rate of customs duty on self-adhesive polyethylene terephthalate (PET) film (HS subheading 3919.90.03). (Notice R.906)
• On 4 April 2014, South Africa provided a full duty rebate on certain fabrics used in the manufacture of upholstered furniture (HS subheadings 5407.61 5903.20.90 5907.00.90). (Notice R.233)

• On 11 April 2014, South Africa provided a full duty rebate on cranberry fruit juice concentrate used in the manufacture of fruit juice mixtures (HS subheading 2009.81.10). (Notice R.277)

• On 25 April 2014, South Africa provided a full duty rebate on methyl ester sulphate for the manufacture of washing preparations and polyurethane flat shapes and natural rubber straps for the manufacture of dust masks (HS subheading 3402.11.20, 3919.10.07 and 4016.99.90). (Notice R. 307 and R.308)

• On 23 May 2014, South Africa provided for a full rebate of duty on other pile fabrics, knitted or crocheted, of man-made fibres, (HS subheading 6001.92), for the manufacture of footwear with uppers of textile materials classifiable in Chapter 64. (Notice R.377)

• On 27 June 2014, South Africa reduced the rates of customs duty on sugar (HS subheadings 1701.12, 1701.13, 1701.14, 1701.91 and 1701.99) from 132c/kg to 92,6c/kg in the existing variable tariff formula. (Notice R.501)

• Between September 2014 and July 2015, South Africa provided for a full rebate of duty on a range of products:
  - on 5 September 2014, for graphite electrodes (HS subheading 8545.11, Notice R.659);
  - on 22 December 2014 for sodium hydroxide for use in the manufacture of sodium hypochlorite (HS subheading 2815.12). (Notice R.924);
  - on 15 May 2015 for fish (HS subheadings 03.04 and 16.04, Notice R.428);
  - on 22 May 2015 for beer made from malt and other fermented beverages used in the manufacture of non-alcoholic beverages (HS subheadings 104.10.20, 104.17.15, 104.17.16 and 104.17.22, Notice R.428 and R.429); and
  - on 3 July 2015 for certain components used for the manufacture of electricity meters falling under tariff subheadings 9028.30 (Notice R.688);

• On 1 January 2015, EFTA duty rate was reduced from 1.9% to 0% in terms of the EFTA Trade Agreement (HS subheadings 3923.21.07, 3923.21.17, 3923.29.40 and 3923.29.50). (Implementation of phase-down of EFTA rates of duty for various chapters in terms of the EFTA Trade Agreement, Notice R. 924, R.928 and R.927)

• On 6 February 2015, South Africa removed customs duties on fine paper (HS subheadings 4810.13.20, 4810.13.90, 4810.14.10, 4810.19.90, 4810.29.90) previously 5%. (Notice R.67) and on 10 April 2015, it removed all duties on lithium batteries (HS subheading 8506.50.25), which stood at 10%. (Notice R.307)

• On 31 July 2015, South Africa extended the rebate on the general MFN duty for spirits obtained by distilling grape wine or grape marc (tariff subheading 104.23.03) to include undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent vol. or higher, obtained by distilling grape wine or grape marc (HS subheading 104.21.01). (Notice R.653)
On 21 August 2015, it provided a rebate on the general MFN duty for steel panels with an inner core of Portland cement, for the manufacture of elevated (raised) flooring systems for buildings (HS subheading 7308.90.90, Notice R.742).

South Korea:

On 10 August 2010, the Ministry of Strategy and Finance announced that Korea planned to reduce the level of duty on the 100,000 tons tariff-quota for imported sugar from 35% to 0% from late August 2010, keeping valid till the end of this year. This was in order to stabilise the domestic price of sugar and also food products using sugars.

Thailand:

On 28 August 2012, Thai authorities raised the level of excise tax for locally produced “white liquor” from 120THB to 150 THB and for “brown liquor” from 300THB to 350THB, bringing it closer to the levels imposed on imported spirits. Retail licence fees for local products have also been levelled - up.

Minor changes took place in the area of foreign investment in the services sector with the removal of a double licensing requirement under two different set of regulations and authorities. On 11 March 2013, the Ministry of Commerce issued ministerial regulations under the Foreign Business Act (FBA) permitting foreigners to operate in certain securities related businesses without having to obtain a foreign business license. The regulations are effective as of 19 March 2013 and cover services relating to securities (14 types), futures contracts (3 types), and capital market trusts (1). While the FBA license may no longer be an impediment to foreign ownership of these securities-related businesses (i.e. foreign-owned (up to 100%) firms may engage in these businesses), it would appear that the positive impact of trade liberalization produces limited results since other hurdles under Thailand's securities laws remain for foreign applicants, such as the licensing requirements for such businesses under sector-specific regulations, namely the Securities and Exchange Act B.E. 2535, Derivatives Act B.E. 2535 and the Trust for Transactions in Capital Markets Act B.E. 2550.

The new Licensing Facilitation Act was promulgated by the National Legislative Assembly on 22 January 2015 and entered into force on 21 July 2015. It is intended to streamline government licensing procedures that are widely seen by local and foreign investors as opaque, overly burdensome and complex which open opportunities for corruption and discourage investment. The Act requires all public administrations to produce, and make available to the public by the date of entry into force of this Act, a 'Licensing Manual', listing the steps involved in applying for a business license. The manual would reportedly be binding, rendering the Administration liable and providing businesses with the opportunity to file complaints with the administration against competent authorities which failed to carry out their duty. While the ultimate outcome remains to be seen, it is expected that the Act will create more predictability and reduce delays and complexities in the administrative approval process for licensing.

Thailand has expressed commitment to the implementation of the Bali Trade Facilitation Agreement (TFA), notifying its Commitments A (for implementation at the entry into force of the Agreement) on 23 July 2014 (i.e. by the deadline 31 July 2014). According to the Notification, eight out of the total twelve articles in the FTA were partially notified under Category A commitments.

In late 2014, Thailand passed three customs law amendments i.e. (1) the Customs Act No. 21 B.E. 2557 (2014); (2) the Customs Act No. 22 B.E. 2557 (2014) and; (3) the Act amending the Customs Tariff Decree B.E. 2530 (1987) No. 8 with a view to facilitating
customs procedures and aligning Thailand’s customs practices with international standards and commitments.

- The Customs Act No. 21 B.E. 2557 (2014) outlines three important amendments i.e. (1) introducing the definitions of "transit" and "transshipment" into the Customs law (previously there were no definitions of transit and transshipment in the law) and granting authority for customs control and procedures to that effect; (2) laying down the principles on advance rulings which did not exist in the previous Act (previously the advance rulings were implemented through the Customs DG’s authority); and (3) recognising legal status of electronic transactions related to customs procedures.

- The Customs Act No. 22 B.E. 2557 provides a legal framework for the implementation of the common customs control area which aims at facilitating trade between neighbouring countries in the Greater Mekhong Sub-region. The Act grants reciprocal control authority to both country Customs to perform their duties in the common customs control area in the neighbour countries as if they were operating in their own customs control area.

- Highlights of the Act amending the Customs Tariff Decree B.E. 2530 (1987) No.8 include import duty exemption for returnable container and imported goods of a certain de minimis value to be determined by Director General and approved by the Minister of Finance (currently, the de minimis value is fixed at a low value of 1,000 Baht or about 30 USD) and the introduction of outward processing scheme into the Thai Customs law.

While the amendments of the above customs laws represent a step in the right direction, these efforts, however, would not have a significant impact on trade facilitation and business environment as long as reforms on the customs reward and penalty regimes have not been made. Currently the amendments on the customs reward and penalty schemes are included in the latest package of customs law amendments for which the principles of amendments were approved by the Cabinet on 21 July 2015. This large package of customs law amendments also includes other positive elements e.g. the alignment of customs audit timeframe and record keeping period, measures to expedite the appeal cases such as the determination of (180 days) timeframe for the Board of Appeal and allowing for more Boards of Appeal to reduce bottlenecks in appeal case consideration, capping of surcharge on customs duty shortfall (1% a month) at the amount of duty shortfall (currently running at no cap), etc.

Tunisia:

- The Finance Law for 2016, which entered into force on 1/1/2016, rationalises and reduces custom duties for non-agricultural goods, which will be submitted to only two rates: 0% for raw materials, semi-processed goods and equipment, and 20% for consumption goods. In parallel, consumption taxes are removed on some products, and reduced for some other ones. The two measures were taken to help fight smuggling and informal trade, which notably affects good subject to high taxes.

- Within the framework of the Complementary Finance Law for 2015, textiles, clothing and leather products manufactured in Tunisia and exported, may be re-imported into Tunisia duty-free provided they are accompanied by a certificate of origin at the time of their initial export from Tunisia.

- On the occasion of the adoption of the 2012 Finance Law (No. 7) of 31 December 2011, the Government renewed the reduction of direct import duties which begun in 2008, and thus
reduced the rate of import customs duties on certain raw materials and semi-finished products, and pneumatic rubber tires with no similar in Tunisia (article 15, chapter 15-3). The 2012 Finance Law also suspended import customs duties on seeds and plantations as from 1 January 2012 (article 17).

- The maximum age of cars imported by Tunisians permanently returning from abroad was raised from 3 to 5 years as from 1 July 2012.

**Turkey:**

- Communiqué 2014/1 on the import regime for certain products (among them rolling bearings) has eased testing procedures for imports. As a result, products bearing an A.TR certificate can freely be imported into Turkey.

**United States:**

- On 11 August 2010, President B. Obama signed into law the U.S. Manufacturing Enhancement Act of 2010 (H.R. 4380), known as the Miscellaneous Tariff Bill (MTB), intended to help create jobs and strengthen the manufacturing sector. The MTB amended the harmonized tariff schedule of the US to provide for duty suspensions and reductions (chemical components in particular) until 31 December 2012. The MTB reduces or suspends some tariffs that U.S. companies must pay to import certain materials to manufacture their products. In order for a tariff to qualify for MTB tariff reductions, it must be determined (through an International Trade Commission process) that the import in question poses no competitive threat to existing U.S. industry. MTBs had been common and uncontroversial for decades, but the last MTB lapsed after a political determination by conservative Republicans that the MTB was really a series of "Congressional "earmarks" (monies directed specifically to private firms or projects) and thus against House Rules, which forbid earmarks in legislation. *As of July 2015, there was an effort to renew the MTB in tandem with a redesign of the process, moving more responsibility directly to the Administration (though retaining the constitutionally required final approval of Congress). However, there is considerable political resistance from conservative Republicans to the measure and on 31.12.2015 its ultimate fate was still unclear.*

**Vietnam:**

- On 4 May 2009, the Ministry of Finance issued a special incentive import duty list to implement Vietnam’s commitment on tariff cuts for goods imported from five ASEAN countries namely Brunei, Laos, Malaysia, Myanmar and Singapore as well as Japan (AJCEP). Particularly, automobiles designed to carry passengers including those having separate luggage space and racing automobiles, ambulance automobiles and prisoner automobiles were subject to a duty rate of 9% from 1 December 2008 to 31 March 2009. A duty rate of 8% is being applied from 1 April 2009 to 31 March 2010; 7% from 1 April 2010 to 31 March 2011 and 6% from 1 April 2011 to 31 March 2012.

- On 14 November 2014, the Ministry of Finance issued a Circular numbered 173/2014/TT-BTC on amendment of import duties to implement Vietnam's WTO commitment on tariff cuts for certain goods. In particular, import duty applicable to fish of all kinds (HS code: 03031900) was cut to 18% from the previous 19%. Motor caravans (HS code 87032340 and 87032470), vehicles with cylinder capacity exceeding 1,500 cc and those with capacity of more than 3,000cc (HS code 87032394 and 87032459), and other vehicles of HS code 87032499 were subject to import duty of 64% from the previous 67%; four-wheel drive motor cars (HS code: 87032451) paid a tariff of 55% from the previous 59%; motor vehicles for the transport of goods of G.V.W not exceeding 5
tonnes (HS code 87041023) paid a tariff of 56%, a 3% less than the previous 59%; and other motor vehicles of HS code 87115090 were subject to the new import duty of 40%, a 7% less than the previous duty of 47%. The new tariffs entered into force from 1 January 2015.

- The National Assembly of Vietnam passed the amended Law on Corporate Tax. Key amendments include reducing the current 25% corporate tax applicable to all forms of enterprises to 22% as from 1 January 2014 and to 20% as from 1 January 2016. SMEs (employing less than 200 workers and having annual revenue of less than 995,000 US$) will enjoy lower taxes, at 20% as from 1 July 2013, and at 17% as from 1 January 2016. Annex II of Circular 193/2012/TT-BTC updates further cuts of import duties that Vietnam must take under its international commitments. About 214 tariff lines undergo an average reduction of 2.85%.

- The Ministry of Agriculture and Rural Development enacted a Decision numbered 2515/QD-BNN-BVTV dated of 29 June 2015 aiming to facilitate the customs clearance of plant products imported into Vietnam. Decision 2515 in fact provides an update list of plant products with harmonised HS codes, which are subject to plant quarantine when they are imported into Vietnam. Before the entry into force of this sub-law regulation, customs authorities tended to have different interpretations and misunderstanding of legal requirements applicable to plant products imported into the country. They may, for example, require the plant quarantine certificates for plant products, which have been processed and are for human consumption. This Decision enters into force from 1st July 2015. The enactment of this regulation immediately helped facilitate some consignments of coffee products from Italy imported into Vietnam (These coffee consignments facing the delay in customs clearance included: (i) roasted coffee beans; (ii) roasted ground coffee; (iii) roasted & grinded coffee capsules; (iv) roasted and grinded coffee pods/pads).