



EU-China Investment Agreement: Report of the 15th Round of negotiations

Beijing – 9 to 12 October 2017

The 15th round of the EU-China investment negotiations took place in Beijing from the 9th to the 12th of October 2017.

Discussions were constructive and led to concrete progress on issues, where exchanges were already advanced, while on the issues where exchanges were at an initial stage the negotiating teams presented their respective positions and had exchanges of clarificatory nature.

In particular the following subjects were covered during the round:

- (i) **Transparency:** The EU and China discussed a number of provisions that relate to publication and consultation of laws and regulations, requests for information and proceedings taking place before administrative or judicial authorities. Agreement was reached on most of the matters covered, while the few outstanding issues will be revisited at the next round of negotiations.
- (ii) **Domestic regulation:** Exchanges on provisions relating to licensing and authorization qualifications and procedures allowed the EU and China to agree on all core issues covered by the talks.
- (iii) **Provisions that relate to national treatment:** The EU and China had in depth exchanges on a number of provisions and exceptions that relate to the obligation not to discriminate between domestic and foreign investors.
- (iv) **Expropriation:** The discussions focused primarily on the modalities of payment of compensation in case of unlawful takings of investors' property by the host state of the investment. Exchanges facilitated a better understanding of the Parties' respective positions.
- (v) **Sustainable development:** The EU and China agreed on the way discussions on matters that relate to investment-related aspects of environment and labour are to be organized in the coming months. Both sides took note of their respective sensitivities and key requests.
- (vi) **Financial services:** Talks on this point focused primarily on the definition of financial services and the possibility for the EU and China to rely on prudential exceptions in order to adopt measures aiming to ensure the stability and integrity of their domestic financial systems.

(vii) **State owned enterprises (SOEs):** During this session, the EU presented its approach regarding the principles that should govern the commercial activities of SOEs and responded to China's questions for clarifications.

Next steps:

- Inter-sessional technical meeting, 13-17 November in Beijing.
- Round 16: week of 11 December in Brussels