



Decision of the Council on International Investment Incentives and Disincentives

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Background Information

The Decision on International Investment Incentives and Disincentives was adopted by the OECD Council on 17 May 1984 on the proposal of the Committee on International Investment and Multinational Enterprises (succeeded by today's Investment Committee). The Decision is one of the procedural complements to the 1976 Declaration on International Investment and Multinational Enterprises. It recognises that adhering countries may be affected by this type of measure and stresses the need to strengthen international co-operation in this area. It first encourages them to make such measures as transparent as possible so that their scale and purpose can be easily determined. The instrument also provides for consultations and review procedures to make co-operation between adhering countries more effective. Adhering countries may be called upon to participate in studies on trends in and effects of incentives and disincentives on FDI, and to provide information on their policies.

THE COUNCIL,

HAVING REGARD to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960 and, in particular, Articles 2 c), 2 d), 2 e), 3 and 5 a) thereof;

HAVING REGARD to the Resolution of the Council of 28 November 1979 on the Terms of Reference of the Committee on International Investment and Multinational Enterprises [C(79)210(Final)];

TAKING NOTE of the Declaration by the Governments of OECD Member countries of 21 June 1976 on International Investment Incentives and Disincentives;

HAVING REGARD to the Revised Decision of the Council of 13 June 1979 on International Investment Incentives and Disincentives [C(79)145];

CONSIDERING the Report on the Second Review of the 1976 Declaration and Decisions on International Investment and Multinational Enterprises [C/MIN(84)5(Final)];

On the proposal of the Committee on International Investment and Multinational Enterprises;

DECIDES:

1. Consultations will take place in the framework of the Committee on International Investment and Multinational Enterprises at the request of a Member country which considers that its interests may be adversely affected by the impact on its flow of international direct investments of measures taken by another Member country which provide significant official incentives and disincentives to international direct investment. Having full regard to the national economic objectives of the measures and without prejudice to policies designed to redress regional imbalances, the purpose of the consultations will be to examine the possibility of reducing such effects to a minimum.
2. Member countries shall supply, under the consultation procedures, all permissible information relating to any measures being the subject of the consultation.
3. The Committee may periodically invite the Business and Industry Advisory Committee to OECD (BIAC) and the Trade Union Advisory Committee to OECD (TUAC) to express their views on matters relating to international investment incentives and disincentives and shall take account of these views in its periodic reports to the Council.
4. This Decision shall be reviewed at the latest in six years. The Committee on International Investment and Multinational Enterprises shall make proposals for this purpose as appropriate.
5. This Decision shall replace Decision C(79)145.

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