



Declaration on International Investment and Multinational Enterprises



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Background Information

The Declaration on International Investment and Multinational Enterprises was adopted on 21 June 1976 on the occasion of the meeting of the Council at Ministerial level (MCM). Following constructive discussions amongst Adherents and stakeholder consultations, the text of the Declaration was revised in 2023 to update the language and better reflect changes in international investment policymaking since 1976, with new players from new countries in new sectors, including state-owned or -controlled entities. Protecting national security has grown more complex, not least in the face of threats to cybersecurity and critical infrastructure. As restrictions on foreign direct investment (FDI) have come down worldwide, a greater understanding of the importance of a comprehensive, whole-of-government approach to investment climate reform has grown. As more and more countries turn to FDI attraction as part of a development strategy, the impact on sustainability and inclusiveness has become an even more important concern among stakeholders and policymakers.

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct which form Annex 1 to the Declaration were revised on 8 June 2023.

Declaration on International Investment and Multinational Enterprises

The revised Declaration is intended to better capture the narrative of the Committee's current approach to investment policy as reflected in the wider body of instruments and tools under the Investment Committee's responsibility, notably the Policy Framework for Investment (PFI), the Recommendation of the Council on Guidelines for Recipient Country Investment Policies relating to National Security [[OECD/LEGAL/0372](#)] and the Recommendation of the Council on Foreign Direct Investment Qualities for Sustainable Development [[OECD/LEGAL/0476](#)], with a view to ensuring that it can better fulfil its formal role as the umbrella instrument for the Investment Committee's investment policy work. The revised Declaration also serves as a powerful communication tool, capturing the essence of the Committee's approach to investment policy in a single concise instrument.

As of its amendment in 2023, it sets commitments by governments:

- to promote predictability, transparency, rule of law, accountability and inclusiveness in investment policy, as well as to foster coordination and engage with stakeholders on investment policy, building on key components of public governance related to investment from the PFI;
- to take measures to ensure the positive impact of investment on sustainable development, building on elements of the Recommendation on Foreign Direct Investment Qualities for Sustainable Development [[OECD/LEGAL/0476](#)];
- to be guided by a set of principles including transparency, predictability, regulatory proportionality and accountability when designing adopting policies to safeguard national security interests;
- to jointly recommend to investors observance of the OECD Guidelines for Multinational Enterprises (the "Guidelines") which are included in Annex 1 and promote and enable RBC across relevant policy areas;
- to establish non-discrimination as a general principle underpinning investments policies and practices and provide national treatment for foreign-controlled enterprises, building on PFI considerations concerning national treatment;
- to avoid or minimise the imposition of conflicting requirements on enterprises;
- to cooperate regarding investment incentives and disincentives, prioritise sustainable development objectives when providing incentives and regularly engage in improving design of these measures based on elements of the [Checklist for FDI Incentive Policies](#), the Recommendation on Foreign Direct Investment Qualities for Sustainable Development [[OECD/LEGAL/0476](#)] and the PFI.

The sections of the Declaration related to national treatment, conflicting requirements, investment incentives and disincentives, and the Guidelines are each underpinned by a legally binding Decision which sets out procedural obligations on practical and follow-up arrangements for cooperation, including the commitment to notify all measures constituting exceptions to national treatment and to establish a National Contact Point to further the effectiveness of the Guidelines. Beyond the four related Decisions, a number of Recommendations have also been developed to further clarify and elaborate the commitments in the Declaration, including related to country exceptions to national treatment and to calls for further liberalisation, including for specific country measures.

The Declaration approaches 50 years of implementation. Over 50 countries have adhered to it, thereby enhancing transparency in investment policy making in their jurisdictions and promoting responsible business conduct.

The European Union has been invited to associate itself to the section on National Treatment, now renamed non-Discrimination, on matters falling within its competence.

For further information please consult: www.oecd.org/investment/investment-policy/oecddeclarationanddecisions.htm.
Contact information: investment@oecd.org.

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (Annex 1)

The Guidelines are recommendations jointly addressed by governments to multinational enterprises on responsible business conduct. They aim to encourage positive contributions enterprises can make to economic, environmental and social progress, and to minimise adverse impacts on matters covered by the Guidelines that may be associated with an enterprise's operations, products and services. The Guidelines cover all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, disclosure, science and technology, competition, and taxation.

The Guidelines are supported by a unique implementation mechanism of NCPs, which are established by adhering governments to promote and implement the Guidelines. NCPs serve to (i) promote awareness and uptake of the Guidelines, including by responding to enquiries, and (ii) contribute to the resolution of issues that arise in relation to the implementation of the Guidelines in specific instances. NCPs may also support efforts by their governments to help foster policy coherence on responsible business conduct. The OECD also provides practical support on the implementation of the Guidelines through explanations of its due diligence recommendations and associated provisions in different sectoral and thematic guidances, in addition to supporting policymakers in promoting and enabling responsible business conduct.

The Working Party on Responsible Business Conduct (WPRBC), a subsidiary body of the Investment Committee (IC), oversees the range of standards on responsible business conduct. To contribute to effective implementation, the WPRBC and the IC engage with governments, businesses, social and international partners, institutional stakeholders and civil society.

2023 targeted update of the Guidelines

Since their adoption in 1976, the Guidelines have been continuously updated to remain fit for purpose in light of societal challenges and the evolving context for international business. The 2023 targeted update reflects a decade of experience since their last review in 2011 and responds to urgent social, environmental, and technological priorities facing societies and businesses.

The targeted update entailed updates to the 11 chapters of the Guidelines, as well as updates to the Decision of the Council on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct [OECD/LEGAL/0307] (the "Decision") and the Commentaries to both. Key updates include:

- Recommendations for enterprises to align with internationally agreed goals on climate change and biodiversity;
- Inclusion of due diligence expectations on the development, financing, sale, licensing, trade and use of technology, including gathering and using data;

- Recommendations on how enterprises are expected to conduct due diligence on impacts and business relationships related to the use of their products and services;
- Better protection for at-risk persons and groups, including those who raise concerns regarding the conduct of businesses;
- Updated recommendations on disclosure of responsible business conduct information;
- Expanded due diligence recommendations to all forms of corruption;
- Recommendations for enterprises to ensure lobbying activities are consistent with the Guidelines;
- Strengthened procedures to ensure the visibility, effectiveness and functional equivalence of National Contact Points on Responsible Business Conduct.

The updated Guidelines will also serve to support the ambition set out in the Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy [[OECD/LEGAL/0489](#)] adopted at the 14-15 February 2023 Ministerial meeting on Responsible Business Conduct.

The update was conducted by 51 Adherents to the Declaration and the European Union participating in the WPRBC and the IC, and was supported throughout by the OECD Centre for Responsible Business Conduct, which serves as a Secretariat to the WPRBC. The update benefitted from close involvement of the institutional stakeholders Business at OECD, the Trade Union Advisory Committee to the OECD, and OECD Watch, representing the views of millions of businesses, workers, and civil society members globally. The process also included two public consultations open to interested stakeholders and the public more broadly. 16 other OECD bodies and their respective secretariats were consulted and contributed to the targeted update process.

*For further information please consult: <http://mneguidelines.oecd.org>.
Contact information: rbc@oecd.org.*

ADHERENTS:

HAVING REGARD to the standards developed by the OECD related to international investment, in particular in the areas of non-discrimination, national security interests, conflicting requirements, investment incentives, responsible business conduct, and foreign direct investment qualities;

HAVING REGARD to the Policy Framework for Investment (hereafter, the "PFI") [[C/MIN\(2015\)5](#)], a tool to support governments in taking a comprehensive and systematic approach for improving investment conditions;

CONSIDERING that:

- international investment is of major importance to the world economy and has considerably contributed to the development of the domestic economies of Adherents;
- the economies of Adherents are both sources and destinations for international investment;
- the positive contributions of international investment to sustainable development are not always guaranteed and can differ across segments of society and countries, regions and policy areas of sustainable development;
- enhancing the positive contribution of international investment to sustainable development outcomes while minimising adverse impacts is a central concern of investment policymaking;
- to create favourable conditions for investment and enhance its contribution to sustainable development, Adherents should adopt a comprehensive, whole-of-government approach, across all policy areas affecting investment;
- multinational enterprises (MNEs) play an essential role in the investment process, and their activities can substantially affect long-term economic, social and environmental progress, including in addressing climate change and protecting human rights, in both home and host economies;
- international investment treaties are an important component of the framework governing the conditions for foreign investment in many economies, safeguarding the rights of investors while taking into account governments' right to regulate to confront global and domestic challenges;
- international investment incentives are widely used to influence foreign and domestic investor behaviour and that governments offering incentives are increasingly taking account of their impact on sustainable development;
- investment promotion and facilitation can help to attract and retain investment and enhance its contribution to sustainable development;
- discrimination on the basis of nationality can distort the allocation of capital, reduce competition, and undermine investment attraction efforts;
- certain investments may entail risks to the national security interests of a given country;
- responsible business conduct (RBC) furthers the contribution of investment to sustainable development, and that RBC standards play an important role in creating a level playing field across global markets;
- reliable and sustainable infrastructure enhances economic activity and contributes to sustainable development, lowering production and transaction costs, as well as reducing social and environmental costs;
- international co-operation can improve the foreign investment climate, encourage the positive contribution which multinational enterprises can make to economic, social and environmental progress, and minimise the adverse impacts that may be associated with an enterprise's operations, products and services;

- the benefits of international co-operation are enhanced by addressing issues relating to international investment and multinational enterprises through a balanced framework of inter-related instruments and policy areas;
- while this Declaration does not deal with the right of Adherents to regulate the entry of foreign investment or the conditions of establishment of foreign enterprises, Adherents recognise the value of open conditions for investment.

DECLARE:

I. That Adherents should:

- promote predictability, transparency, rule of law, accountability and inclusiveness in investment policy implementation;
- foster coordination across government, including different levels of government, on investment policy;
- engage meaningfully with stakeholders on investment policy, including a balanced approach that facilitates investment consistent with sustainable development.

Foreign Direct Investment Qualities

II. That Adherents should:

- take steps to ensure that domestic policy and regulatory frameworks support positive impacts of investment on sustainable development;
- prioritise, facilitate, and promote sustainable development objectives when providing financial and technical support to stimulate investment;
- address information failures and administrative barriers to facilitate and promote investment for sustainable development;
- strengthen the role of development cooperation for mobilising foreign direct investment and enhancing its positive impact on developing countries;
- work together, including in the Investment Committee, to monitor the impacts of foreign direct investment, including as they relate to sustainable development.

National Security Interests

III. That Adherents should be guided by the principles of non-discrimination, transparency, predictability, regulatory proportionality, and accountability when adopting policies, including specific laws, regulations and administrative practices (hereinafter called "measures") designed to safeguard national security interests.

Responsible Business Conduct

IV. That Adherents:

- jointly recommend to multinational enterprises operating in or from their territories the observance of the Guidelines for Multinational Enterprises on Responsible Business Conduct, set forth in Annex 1 hereto, having regard to the considerations and understandings that are set out in the Preface and are an integral part of them;
- should foster co-operation and exchange of information and views on policies for RBC, including practical experience with implementation, and the experience gained in the application of the Guidelines, including by providing guidance, training, and capacity building;

- should promote and enable RBC across relevant policy areas, including by promoting RBC through trade and investment policies.

Non-discrimination

V. That Adherents should:

- establish non-discrimination as a general principle underpinning investment policies and practices, including as related to RBC, foreign direct investment qualities, incentives and disincentives, and other areas covered in this Declaration, and consistent with their development strategy;
- accord to enterprises operating in their territories and owned or controlled directly or indirectly by nationals of another Adherent, treatment under their laws, regulations and administrative practices, consistent with international law and no less favourable than that accorded in like situations to domestic enterprises ("National Treatment"), consistent with their needs to maintain public order, to protect their national security interests, and to fulfil commitments relating to international peace and security;
- ensure that, exceptions to National Treatment, when they are adopted or maintained, be limited and proportional;
- consider whether policy options exist that can substitute for measures deviating from national treatment while achieving the same policy objectives in a more targeted way, giving special priority to limiting inconsistent measures in those areas where most Adherents do not find it necessary to maintain restrictions;
- consider applying National Treatment in respect of economies other than Adherents;
- take steps to ensure that National Treatment is applied at all levels of government.

Conflicting Requirements

VI. That Adherents should:

- avoid or minimise conflicting regulatory requirements on multinational enterprises by conforming to the principles of international law when contemplating new legislation, action under existing legislation or other exercise of jurisdiction;
- promote co-operation as an alternative to unilateral action to avoid or minimise conflicting requirements and problems arising therefrom. To that effect, Adherents should on request consult one another and endeavour to arrive at mutually acceptable solutions to such problems;
- take into account the general considerations and practical approaches as set forth hereto in Annex 2 on Conflicting Requirements imposed on Multinational Enterprises.

International Investment Incentives and Disincentives

VII. That Adherents should:

- recognise the need to strengthen their co-operation in the field of international investment and thus the need to give due weight to the interests of other Adherents affected by specific measures providing official incentives and disincentives to international investment;
- prioritise sustainable development objectives when providing incentives and make such measures as transparent as possible, so that their cost and effectiveness can be ascertained and investors have a clear understanding of requirements and procedures to benefit;
- regularly engage in improving design, governance, monitoring, and evaluation of these measures and be mindful of the potential impact of incentives on domestic revenue mobilisation and the efficient allocation of capital within and across countries.

Consultation Procedures

VIII. That Adherents should be prepared to consult one another on the above matters in conformity with the relevant Decisions of the Council;

Review

IX. That Adherents will review the above matters periodically with a view to improving the effectiveness of international economic co-operation among Adherents on issues relating to international investment and multinational enterprises.

Annex 1

Guidelines for Multinational Enterprises on Responsible Business Conduct

Preface

1. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the Guidelines) are recommendations addressed by governments to multinational enterprises. The common aim of the Adherents to the Guidelines is to encourage the positive contributions enterprises can make to economic, environmental, and social progress and to minimise the adverse impacts on the matters covered by the Guidelines that may be associated with an enterprise's operations, products and services. Responsible business conduct can enable the creation of a level playing field across global markets, foster a dynamic and well-functioning business sector, and enhance the business contribution to sustainable development outcomes, including solutions to address and respond to climate change.

2. The Guidelines are part of the OECD Declaration on International Investment and Multinational Enterprises [[OECD/LEGAL/0144](#)]. The Adherents to the Guidelines make a binding commitment to further their effectiveness in accordance with the Decision of the Council on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct [[OECD/LEGAL/0307](#)]. National Contact Points for Responsible Business Conduct play a central role in this regard.

3. The Guidelines are intended to encourage responsible trade and investment and thereby multiply the benefits of trade and investment through continuous engagement and improvement in all markets of the world. International trade and investment strengthen and deepen ties between countries and regions of the world and generate substantial benefits that are needed for societies to achieve sustainable development outcomes, including the creation of more and better jobs, skills development, provision of products and services that improve living standards, and access to finance and technology needed for the digital and green transitions.

4. The Guidelines express the shared expectation of the Adherents for responsible business conduct of enterprises operating in or from their countries and provide an authoritative point of reference for enterprises and for other stakeholders. They recommend that enterprises undertake risk-based due diligence to identify, prevent, mitigate and account for how they address actual and potential adverse impacts on matters covered by the Guidelines. In this regard, the Guidelines both complement and reinforce private and public efforts to define and implement responsible business conduct.

5. The Guidelines provide voluntary principles and standards for responsible business conduct consistent with applicable laws and internationally recognised standards. Matters covered by the Guidelines may be the subject of domestic law and international commitments. The Guidelines outline recommendations on responsible business conduct that may go beyond what enterprises are legally required to comply with. The recommendation from governments that enterprises observe the Guidelines is distinct from matters of legal liability and enforcement.

6. The ability of multinational enterprises to promote sustainable development is greatly enhanced

when trade and investment are conducted in a context of open, competitive and appropriately regulated markets with rule of law and protection of civic space. Governments have an important role to play in supporting effective implementation of the Guidelines, including by creating an enabling policy environment to drive, support, and promote responsible business practices. Policy coherence at the national and international level can foster alignment and harmonisation of responsible business conduct initiatives. A smart mix of government approaches and measures, which may include mandatory as well as voluntary approaches and capacity building and other accompanying measures, is relevant in this regard. The design of specific policies, legislation and other measures on responsible business conduct will be shaped by individual countries' political, administrative, and legal contexts.

7. The political, economic, environmental, social, physical and technological environment for international business is undergoing far-reaching and rapid change. The Guidelines themselves have evolved to reflect these changes. In the past decades, international trade and finance has grown significantly as a share of the global economy. Large enterprises still account for a major share of international trade and investment, while cross-border trade and investment by small- and medium-sized enterprises has also increased and these enterprises now play a significant role in international markets. Multinational enterprises, like their domestic counterparts, have evolved to encompass a broader range of business arrangements and organisational forms. Technological developments as well as strategic alliances and closer relations with suppliers and contractors tend to blur the boundaries of the enterprise. The rapid evolution in the structure of multinational enterprises is also reflected in their operations in emerging and developing economies, whose share of cross-border trade and investment is growing. In emerging and developing economies, multinational enterprises have diversified beyond primary production and extractive industries into manufacturing, assembly, domestic market development and services.

8. The nature, scope and speed of economic changes have presented new strategic challenges for enterprises and their stakeholders. Competitive forces are intense and multinational enterprises face a variety of legal, social and regulatory settings. Many multinational enterprises have demonstrated that respect for high standards of business conduct goes hand in hand with growth and profitability. Enterprises increasingly implement business models that pursue sustainable development and support coherence between economic, environmental and social objectives. Enterprises have also promoted social dialogue on what constitutes responsible business conduct and have worked with stakeholders, including in the context of multi-stakeholder initiatives, to develop guidance for responsible business conduct.

9. The adoption of the Guidelines in 1976, and their subsequent updates, reflect increased demand on business to follow principles and standards on responsible business conduct. The beginnings of this development can be dated to the work of the International Labour Organisation in the early twentieth century. The adoption by the United Nations in 1948 of the Universal Declaration of Human Rights was another landmark event. It was followed by the ongoing development of standards relevant for many areas of responsible business conduct. The OECD has contributed in important ways to this process through the development of standards covering such areas as the environment, the fight against corruption, consumer interests, corporate governance, science, technology and innovation, and taxation.

10. The Guidelines remain the leading international instrument on responsible business conduct. The Adherents to the Guidelines are committed to co-operating with each other and with other governments to further their implementation in partnership with the many businesses, trade unions and other non-governmental organisations that are working in their own ways toward the same end.

Chapter I. Concepts and Principles

1. The Guidelines are recommendations jointly addressed by governments to multinational enterprises. They provide principles and standards of good practice consistent with applicable laws and internationally recognised standards. Observance of the Guidelines by enterprises is voluntary and not legally enforceable. Nevertheless, some matters covered by the Guidelines may also be regulated by national law or international commitments.

2. Obeying domestic laws is the first obligation of enterprises. The Guidelines are not a substitute for,

nor should they be considered to, override domestic law and regulation. Failure of governments to uphold the principles and standards consistent with the Guidelines or their associated international commitments does not diminish the expectation that enterprises observe the Guidelines. While the Guidelines extend beyond the law in many cases, they should not and are not intended to place an enterprise in situations where it faces conflicting requirements. However, in countries where domestic laws and regulations conflict with the principles and standards of the Guidelines, enterprises should seek ways to honour such principles and standards to the fullest extent which does not place them in violation of domestic law.

3. Since the operations of multinational enterprises extend throughout the world, international co-operation in this field should extend to all countries. Adherents to the Guidelines encourage the enterprises operating in or from their territories to observe the Guidelines wherever they operate, while taking into account the particular circumstances of each host country.

4. A precise definition of multinational enterprises is not required for the purposes of the Guidelines. While the Guidelines allow for a broad approach in identifying which entities may be considered multinational enterprises for the purposes of the Guidelines, the international nature of an enterprise's structure or activities and its commercial form, purpose, or activities are main factors to consider in this regard. These enterprises operate in all sectors of the economy. They usually comprise companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of other entities in a group, their degree of autonomy within the group may vary widely from one multinational enterprise to another. Ownership may be private, State, or mixed. The Guidelines are addressed to all the entities within the multinational enterprise (parent companies and/or local entities). According to the actual distribution of responsibilities among them, the different entities are expected to co-operate and to assist one another to facilitate observance of the Guidelines.

5. The Guidelines are not aimed at introducing differences of treatment between multinational and domestic enterprises; they reflect good practice for all. Accordingly, multinational and domestic enterprises are subject to the same expectations in respect of their conduct wherever the Guidelines are relevant to both.

6. Governments wish to encourage the widest possible observance of the Guidelines. While it is acknowledged that small- and medium-sized enterprises may not have the same capacities as larger enterprises, Adherents to the Guidelines nevertheless encourage them to observe the Guidelines' recommendations to the fullest extent possible.

7. Adherents to the Guidelines should not use them for protectionist purposes nor use them in a way that calls into question the comparative advantage of any country where multinational enterprises invest.

8. Governments have the right to prescribe the conditions under which multinational enterprises operate within their jurisdictions, subject to international law. The entities of a multinational enterprise located in various countries are subject to the laws applicable in these countries. When multinational enterprises are subject to conflicting requirements by Adherents or third countries, the governments concerned are encouraged to co-operate in good faith with a view to resolving problems that may arise.

9. Adherents to the Guidelines set them forth with the understanding that they will fulfil their responsibilities to treat enterprises equitably and in accordance with international law and with their contractual obligations.

10. The use of appropriate international dispute settlement mechanisms, including arbitration, is encouraged as a means of facilitating the resolution of legal problems arising between enterprises and host country governments.

11. Adherents to the Guidelines will implement them and encourage their use. They will establish National Contact Points for Responsible Business Conduct that promote the Guidelines and act as a forum for discussion of all matters relating to the Guidelines. Adherents will also participate in appropriate review

and consultation procedures to address relevant concerns regarding interpretation and implementation of the Guidelines, and to maintain their continued relevance in a changing world.

Chapter II. General Policies

Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard:

A. Enterprises should:

1. Contribute to economic, environmental and social progress with a view to achieving sustainable development.
2. Respect the internationally recognised human rights of those affected by their activities.
3. Encourage local capacity building through close co-operation with the local community, including business interests, as well as developing the enterprise's activities in domestic and foreign markets, consistent with the need for sound commercial practice.
4. Encourage human capital formation, in particular by creating employment opportunities and facilitating training opportunities for employees.
5. Ensure transparency and integrity in lobbying activities, and refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.
6. Support and uphold good corporate governance principles and develop and apply good corporate governance practices, including throughout enterprise groups.
7. Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.
8. Promote awareness of and compliance by workers employed by multinational enterprises with respect to company policies through appropriate dissemination of these policies, including through training programmes.
9. Refrain from discriminatory or disciplinary action or otherwise engaging in reprisals against workers, trade union representatives or other worker representatives who make bona fide reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the Guidelines or the enterprise's policies.
10. Refrain from and take steps to prevent the use of reprisals, including by entities with which the enterprise has a business relationship, against any persons or groups that may seek to or do investigate or raise concerns regarding actual or potential adverse impacts associated with the enterprise's operations, products or services. This includes promoting an environment in which individuals and groups feel safe to raise concerns and, where relevant, contributing to the remediation of adverse impacts of reprisals when they occur.
11. Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 12 and 13, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.
12. Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur, including through providing for or co-operating in the remediation of adverse impacts.

13. Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship. This is not intended to shift responsibility from the entity causing an adverse impact to the enterprise with which it has a business relationship.

14. In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, entities with which an enterprise has a business relationship to apply principles of responsible business conduct compatible with the Guidelines.

15. Engage meaningfully with relevant stakeholders or their legitimate representatives as part of carrying out due diligence and in order to provide opportunities for their views to be taken into account with respect to activities that may significantly impact them related to matters covered by the Guidelines.

16. Abstain from any improper involvement in political activities.

B. Enterprises are encouraged to:

1. Engage in or support, where appropriate, private or multi-stakeholder initiatives and social dialogue on responsible business conduct, while ensuring that these initiatives take due account of their social and economic effects on developing economies and of existing internationally recognised standards.

Chapter III. Disclosure

1. Enterprises should take into account established disclosure policies in the countries and sectors in which they operate, and consider the views and informational requirements of shareholders and other relevant stakeholders. Enterprises should disclose regular, timely, reliable, clear, complete, accurate and comparable information in sufficient detail on all material matters. This information should be disclosed for the entire enterprise, and, where appropriate, along business lines or geographic areas. Disclosure policies of enterprises should be tailored to the nature, size and location of the enterprise, with due regard taken of costs, business confidentiality and other competitive concerns.

2. Disclosure policies of enterprises should include, but not be limited to, material information on:

- a) the financial and operating results of the enterprise;
- b) enterprise objectives and sustainability-related information;
- c) capital structures, group structures and their control arrangements;
- d) major share ownership, including beneficial owners, and voting rights;
- e) information about the composition of the board and its members, including their qualifications, the selection process, other enterprise directorships and whether each board member is regarded as independent by the board;
- f) remuneration of members of the board and key executives;
- g) related party transactions;
- h) foreseeable risk factors;
- i) governance structures and policies including the extent of compliance with national corporate governance codes or policies and the process by which they are implemented;
- j) debt contracts, including the risk of non-compliance with covenants.

3. It is also important that enterprises communicate responsible business conduct information including as part of their responsibility to carry out due diligence. Some of this information may also be material under paragraph 2. Responsible business conduct information can include:

- a) value statements or statements of business conduct intended for public disclosure including policies on responsible business conduct issues that articulate the enterprise's commitments to the principles and standards contained in the Guidelines, and its plans for implementing due diligence;
- b) policies and other codes of conduct to which the enterprise subscribes, their date of adoption and the countries and entities to which such statements apply;
- c) information on measures taken to embed policies on responsible business conduct issues into the enterprise's management and oversight bodies;
- d) the enterprise's identified areas of significant impacts or risks, the adverse impacts or risks identified, prioritised and assessed, as well as the prioritisation criteria;
- e) its performance in relation to the statements in paragraph 3(a) and the codes in paragraph (b) including the actions taken to prevent or mitigate risks or impacts identified in paragraph 3(c) and (d), including where possible estimated timelines and benchmarks for improvement and their outcomes, including the enterprise's provision of or co-operation in any remediation;
- f) information on internal audit, risk management and legal compliance systems;
- g) information on relationships with workers and other stakeholders;
- h) additional information in line with disclosure recommendations on responsible business conduct information provided in Chapters IV and VI.

4. Enterprises should prepare and disclose information in accordance with internationally recognised accounting and disclosure standards, and refrain from publication of insufficient or unclear information. An annual external audit should be conducted by an independent, competent and qualified auditor in accordance with internationally recognised auditing, ethical and independence standards in order to provide reasonable assurance to the board and shareholders that the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. In order to enhance the credibility of responsible business conduct information, enterprises may seek external assurance attestation of such information.

Chapter IV. Human Rights

States have the duty to protect human rights. Enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

1. Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
2. Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.
3. Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.
4. Have a publicly available policy commitment to respect human rights.
5. Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.
6. Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.

Chapter V. Employment and Industrial Relations

Enterprises should, within the framework of applicable law, regulations and prevailing labour relations and employment practices and applicable international labour standards, avoiding any unlawful employment and industrial relations practices, and in line with due diligence expectations described in Chapters II and IV:

1.

- a) Respect the right of workers to establish or join trade unions and representative organisations of their own choosing, including by avoiding interfering with workers' choice to establish or join a trade union or representative organisation of their own choosing;
- b) Respect the right of workers to have trade unions and representative organisations of their own choosing recognised for the purpose of collective bargaining, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on terms and conditions of employment;
- c) Contribute to the effective abolition of child labour, and take immediate and effective measures to secure the elimination of the worst forms of child labour as a matter of urgency;
- d) Contribute to the elimination of all forms of forced or compulsory labour and take immediate and effective measures towards the elimination of forced or compulsory labour as a matter of urgency;
- e) Be guided throughout their operations by the principle of equality of opportunity and treatment in employment and not discriminate against their workers with respect to employment or occupation on such grounds as race, colour, sex, age, religion, political opinion, national extraction or social origin, persons with disabilities or other status, unless selectivity concerning worker characteristics furthers established governmental policies which specifically promote greater equality of employment opportunity or relates to the inherent requirements of a job;
- f) Provide a safe and healthy working environment in line with the ILO Declaration on Fundamental Principles and Rights at Work.

2.

- a) Provide such facilities to workers' representatives as may be necessary to assist in the development of effective collective agreements;
- b) Provide information in a timely manner to workers' representatives which is needed for meaningful negotiations on conditions of employment;
- c) Provide information to workers and their representatives which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole.

3. Promote consultation and co-operation between employers and workers and their representatives through legitimate processes, structures or mechanisms on matters of mutual concern.

4.

- a) Observe standards of employment, contractual arrangements and industrial relations throughout their operations;
- b) When multinational enterprises operate in other countries, wages, benefits and conditions of work offered across their operations should not be less favourable to the workers than those offered by comparable employers in the host country. Where comparable employers may not exist, enterprises should provide the best possible wages, benefits and conditions of work, within the framework of government policies and applicable international standards. These should be related to the economic position of the enterprise, but should be at least adequate to satisfy the basic needs of the workers and their families;
- c) Maintain the highest standards of safety and health at work.

5. In their operations, to the greatest extent practicable, employ local workers and provide training with a view to improving skill levels, in co-operation with worker representatives and, where appropriate, relevant governmental authorities.

6. In considering changes in their operations which would have major employment effects, in particular in the case of the closure of an entity involving collective lay-offs or dismissals, provide reasonable notice of such changes to representatives of the affected workers and their organisations, and, where appropriate, to the relevant governmental authorities, and co-operate with the worker representatives and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects of such changes. In light of the specific circumstances of each case, it would be appropriate if management were able to give such notice prior to the final decision being taken. Other means may also be employed to provide meaningful co-operation to mitigate the effects of such decisions.

7. In the context of bona fide negotiations with workers' representatives on conditions of employment, or while workers are exercising a right to organise, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer workers from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organize or bargain collectively.

8. Enable authorised representatives of the workers in their employment to negotiate on collective bargaining or labour-management relations issues and allow the parties to consult on matters of mutual concern with representatives of management who are authorised to take decisions on these matters.

Chapter VI. Environment

Enterprises play a key role in advancing sustainable economies and can contribute to delivering an effective and progressive response to global, regional and local environmental challenges, including the urgent threat of climate change. Within the framework of laws, regulations and administrative practices in the countries in which they operate, and in consideration of relevant international agreements, principles, objectives, and standards, enterprises should conduct their activities in a manner that takes due account of the need to protect the environment, and in turn workers, communities and society more broadly, avoids and addresses adverse environmental impacts and contributes to the wider goal of sustainable development. Enterprises can be involved in a range of adverse environmental impacts. These include, among others:

- a) climate change;
- b) biodiversity loss;
- c) degradation of land, marine and freshwater ecosystems;
- d) deforestation;
- e) air, water and soil pollution;
- f) mismanagement of waste, including hazardous substances.

Important differences across environmental impacts are outlined in the commentary to this chapter, including with respect to climate change and how an individual enterprise's relationship to such impacts should be considered in the context of relevant frameworks.

In particular, enterprises should:

1. Establish and maintain a system of environmental management appropriate to the enterprise associated with the operations, products and services of the enterprise over their full life cycle, including by carrying out risk-based due diligence, as described in Chapter II, for adverse environmental impacts, including through:

- a) identifying and assessing adverse environmental impacts associated with an enterprise's

operations, products or services, including through collection and evaluation of adequate and timely information regarding the adverse impacts associated with their operations, products and services and where activities may have significant adverse environmental impacts, preparing an appropriate environmental impact assessment;

- b) establishing and implementing measurable objectives, targets and strategies for addressing adverse environmental impacts associated with their operations, products and services and for improving environmental performance. Targets should be science-based, consistent with relevant national policies and international commitments, goals, and informed by best practice;
- c) regularly verifying the effectiveness of strategies and monitoring progress toward environmental objectives and targets, and periodically reviewing the continued relevance of objectives, targets and strategies;
- d) providing the public, workers, and other relevant stakeholders with adequate, measurable, verifiable (where applicable) and timely information on environmental impacts associated with their operations, products and services based on best available information, and progress against targets and objectives as described in paragraph 1.b;
- e) providing for, or co-operating in, remediation as necessary to address adverse environmental impacts the enterprise has caused or contributed to, and using leverage to influence other entities causing or contributing to adverse environmental impacts to remediate them.

2. Conduct meaningful engagement with relevant stakeholders affected by adverse environmental impacts associated with an enterprise's operations, products or services.

3. Consistent with the scientific and technical understanding of the risks, where there are threats of serious or irreversible damage to the environment, taking also into account human health and safety, not use the lack of full scientific certainty or pathways as a reason for postponing cost-effective measures to prevent or minimise such damage.

4. Maintain contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations, including accidents and emergencies; and mechanisms for immediate reporting to the competent authorities.

5. Continually seek to improve environmental performance, at the level of the enterprise and, where appropriate, entities with which they have a business relationship, including by:

- a) adopting technologies, where feasible best available technologies, to improve environmental performance;
- b) developing and providing products or services that have no undue environmental impacts; are safe in their intended use; are durable, repairable and can be reused, recycled, or disposed of safely and that are produced in an environmentally sound manner that uses natural resources sustainably, minimises as far as possible energy and material input as well as generation of pollution, greenhouse gas emissions and waste, in particular hazardous waste;
- c) promoting higher levels of awareness among customers of the environmental implications of using the products and services of the enterprise, including by providing relevant and accurate information on their environmental impacts (for example, on greenhouse gas emissions, impacts on biodiversity, resource efficiency, reparability and recyclability or other environmental issues).

6. Provide adequate education and training to workers in environmental, health and safety matters, including on the management of hazardous and non-hazardous materials and waste as well as the prevention of environmental accidents, as well as more general environmental management areas, such as environmental impact assessment procedures, public relations, and environmental technologies. Providing support, including capacity building on environmental management, to suppliers and other business relationships, particularly small- and medium-sized enterprises and small holders, where appropriate and feasible.

7. Contribute to the development of environmentally responsible and economically efficient public policy, for example, by means of partnerships or initiatives that will enhance environmental awareness and protection.

Chapter VII. Combating Bribery and Other Forms of Corruption

Adverse impacts on matters covered by the Guidelines are often enabled by means of corruption. As such, an enterprise's implementation of effective anticorruption measures is an important contribution to the avoidance of other adverse impacts covered by the Guidelines. Enterprises should not engage in any act of bribery or other forms of corruption.

In particular, enterprises should:

1. Not engage in any act of corruption, including the offering, promising or giving of any undue pecuniary or other advantage to public officials or employees of persons or entities with which an enterprise has a business relationship or to their relatives or associates. Likewise, enterprises should not request, agree to or accept any undue pecuniary or other advantage from public officials or the employees of persons or entities with which an enterprise has a business relationship. Enterprises should not use third parties or other intermediaries, including, *inter alia*, agents, consultants, representatives, distributors, consortia, contractors and suppliers and joint venture partners for channelling undue pecuniary or other advantages to public officials, or to employees of persons or entities with which an enterprise has a business relationship or to their relatives or associates.
2. Develop and adopt adequate internal controls, ethics and compliance programmes or measures for adequately preventing, detecting and addressing bribery and other forms of corruption, developed on the basis of a risk-based assessment, taking into account the individual circumstances of an enterprise, in particular the enterprise risk factors related to bribery and other forms of corruption (including, *inter alia*, its geographical and industrial sector of operation, other responsible business conduct issues, the regulatory environment, the type of business relationships, transactions with foreign governments, and use of third parties). These internal controls, ethics and compliance programmes or measures should include a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, conflict of interest registers, records, and accounts, to ensure that they cannot be used for the purpose of engaging in or hiding bribery or other acts of corruption. Such individual circumstances and risks should be regularly monitored and re-assessed as necessary to determine the allocation of compliance resources and to ensure the enterprise's internal controls, ethics and compliance programme or measures are adapted and continue to be effective, and to mitigate the risk of enterprises becoming involved in bribery or other forms of corruption. These internal controls, ethics and compliance programmes or measures for preventing and detecting all forms of corruption should also include carrying out risk-based due diligence as described in Chapter II.
3. Prohibit or discourage, in internal company controls, ethics and compliance programmes or measures, the use of small facilitation payments, which are generally illegal in the countries where they are made, and, when such payments are made, accurately record these in books and financial records.
4. Ensure, taking into account the particular risks related to bribery and other forms of corruption, properly documented due diligence pertaining to the hiring, as well as the appropriate and regular oversight of agents, and that remuneration of agents is appropriate and for legitimate services only. Where relevant, an updated list of agents engaged in connection with transactions with public bodies and State-owned enterprises should be kept and made available to competent authorities, in accordance with applicable public disclosure requirements. Enterprises should take steps to ensure that their agents avoid exercising illicit influence and comply with professional standards in their relations with public officials.
5. Enhance the transparency of their activities in the fight against bribery and other forms of corruption and foster a culture of integrity. Measures could include (i) strong, explicit and visible support and commitment from the board of directors or equivalent governing body and senior management to the enterprise's internal controls, ethics and compliance programmes; (ii) a clearly articulated and visible

corporate policy prohibiting bribery and other forms of corruption, easily accessible to all employees and relevant third parties, including, *inter alia*, foreign subsidiaries, agents, and other intermediaries; and (iii) disclosing the management systems and the internal controls, ethics and compliance programmes or measures adopted by enterprises in order to honour these commitments. Enterprises should also foster openness and dialogue with the public so as to promote its awareness of and co-operation in the fight against bribery other forms of corruption. Enterprises are encouraged to disclose, without prejudice to national laws and requirements, any misconduct related to bribery and other forms of corruption, as well as the measures adopted to address cases of suspected bribery and other forms of corruption. These measures may include, but are not limited to, processes for identifying, investigating, and reporting the misconduct and genuinely and proactively engaging with law enforcement authorities.

6. Promote awareness of and compliance with enterprise policies and internal controls, ethics and compliance programmes or measures against bribery and other forms of corruption, among employees and persons or entities linked by a business relationship, through appropriate dissemination of such policies, programmes or measures and through training programmes and disciplinary procedures that take into account applicable language, cultural and technological barriers.

7. Not make illegal contributions to candidates for public office or to political parties or to other organisations linked to political parties or political candidates. Political contributions should fully comply with national laws including public disclosure requirements and should require senior management approval. This includes not obliging workers to support a political candidate or a political organisation.

Chapter VIII. Consumer Interests

When dealing with consumers, enterprises should act in accordance with fair business, marketing and advertising practices and should take all reasonable steps to ensure the quality and reliability of the goods and services that they provide. In particular, they should:

1. Ensure that the goods and services they provide meet all agreed or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information, and do not pose an unreasonable risk to the health or safety of consumers in foreseeable use or foreseeable improper use or misuse.

2. Provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions, including information on the prices and, where appropriate, content, safe use, environmental attributes, maintenance, storage, disposal of goods and services, and relevant e-commerce disclosures such as privacy issues, and information about available dispute resolution and redress options. The information should be presented in a comprehensible and easily accessible manner using plain language, while also regarding the needs of accessibility for consumers with disabilities. Where feasible this information should be provided in a manner that facilitates consumers' ability to compare products.

3. Provide consumers with access to fair, easy to use, timely and effective non-judicial dispute resolution and redress mechanisms, without unnecessary cost or burden.

4. Not make representations or omissions, nor engage in any other practices that are deceptive, misleading, fraudulent unfair or that otherwise subvert consumer choice in ways that harm consumers or competition.

5. Support efforts to promote consumer education in areas that relate to their business activities, with the aim of, *inter alia*, improving the ability of consumers to: i) make informed decisions involving complex goods, services and markets, ii) better understand the economic, environmental and social impact of their decisions and iii) support sustainable consumption.

6. Protect consumer privacy by ensuring that enterprise practices relating to the collection and use of consumer data are lawful, transparent and fair, enable consumer participation and choice and take all reasonable measures to ensure the security of personal data that they collect, store, process or disseminate.

7. Co-operate fully with public authorities to prevent and combat abusive or deceptive marketing practices (including misleading advertising, and commercial fraud) and to diminish or prevent serious threats to public health and safety or to the environment deriving from the consumption, use or disposal of their goods and services.

8. Take into consideration, in applying the above principles, i) the needs of consumers, especially those who may be experiencing vulnerability or disadvantage, and ii) the specific challenges that e-commerce may pose for consumers.

Chapter IX. Science, Technology and Innovation

Scientific research and technological innovation have driven productivity in all sectors, as well as the ability of enterprises to conduct due diligence and contribute to sustainable development. Enterprises should, as appropriate, contribute to the development of local and national innovative capacity. In the context of development, financing, sale, licensing, trade and use of technology, including gathering and using data, as well as scientific research and innovation, enterprises should observe the Guidelines and comply with applicable national laws and requirements, including privacy and data protection requirements and export control regulations. In particular, enterprises should:

1. Carry out risk-based due diligence, as described in Chapter II, with respect to actual and potential adverse impacts related to science, technology and innovation.

2. Adopt, where practicable in the course of their business activities, practices that enable the voluntary, safe, secure and efficient transfer of technology and know-how on mutually agreed terms, as well as enhance access to and sharing of data to foster scientific discovery and innovations with due regard to the protection of intellectual property rights, confidentiality obligations, privacy, personal data protection, export controls and non-discrimination principles.

3. When appropriate, perform science and technology development activities in host countries to address local market needs, as well as employ host country personnel in science and technology development activities, and encourage and support their training, taking into account integrity, security and commercial needs.

4. When granting licenses for the use of intellectual property rights or when otherwise voluntarily transferring technology, do so on mutually agreed terms and conditions, with appropriate safeguards to prevent and mitigate adverse impacts, and in a manner that contributes to the longterm sustainable development prospects of the host country and respects export control regulations.

5. Where relevant to commercial objectives, develop ties with local higher education institutions, public research institutions and participate in co-operative research projects with local industry or industry associations, including small- and medium-sized enterprises and civil society organisations. Such co-operation should take into account effective risk management, ethical considerations, national security concerns, applicable laws and considerations of stakeholders. It should also recognise the value of open science and respect safeguards to preserve academic freedom, as well as research and scientific autonomy.

6. When collecting, sharing and using data, enhance transparency of data access and sharing arrangements, and encourage the adoption, throughout the data value cycle, of responsible data governance practices that meet standards and obligations that are applicable, widely recognised or accepted among Adherents to the Guidelines, including codes of conduct, ethical principles, rules regarding manipulation and coercion of consumers, and privacy and data protection norms.

7. Enterprises should support, as appropriate to their circumstances, co-operative efforts in the appropriate fora to promote an open, free, global, interoperable, reliable, accessible, affordable, secure and resilient Internet, including through respect of the freedoms of expression, peaceful assembly and association online, and consistent with the matters covered by the Guidelines.

Chapter X. Competition

Enterprises should:

1. Carry out their activities in a manner consistent with all applicable competition laws and regulations, taking into account the competition laws of all jurisdictions in which the activities may have anti-competitive effects.
2. Refrain from entering into or carrying out anti-competitive agreements among competitors, including agreements to:
 - a) fix prices;
 - b) make rigged bids (collusive tenders);
 - c) establish output restrictions or quotas; or
 - d) share or divide markets by allocating customers, suppliers, territories or lines of commerce.
3. Co-operate with investigating competition authorities by, among other things and subject to applicable law and appropriate safeguards, providing responses as promptly and completely as practicable to requests for information, and considering the use of available instruments, such as waivers of confidentiality where appropriate, to promote effective and efficient co-operation among investigating authorities.
4. Regularly promote employee awareness of the importance of compliance with all applicable competition laws and regulations, and, in particular, train senior management of the enterprise in relation to competition issues.

Chapter XI. Taxation

1. It is important that enterprises contribute to the public finances of host countries by making timely payment of their tax liabilities. In particular, enterprises should comply with both the letter and spirit of the tax laws and regulations of the countries in which they operate. Complying with the spirit of the law means discerning and following the intention of the legislature. It does not require an enterprise to make payment in excess of the amount legally required pursuant to such an interpretation. Tax compliance includes such measures as providing to the relevant authorities timely information that is relevant or required by law for purposes of the correct determination of taxes to be assessed in connection with their operations and conforming transfer pricing practices to the arm's length principle.
2. Enterprises should treat tax governance and tax compliance as important elements of their oversight and broader risk management systems. In particular, corporate boards should adopt tax risk management strategies to ensure that the financial, regulatory and reputational risks associated with taxation are fully identified and evaluated.

Annex 2

Conflicting Requirements Imposed on Multinational Enterprises

- a) General considerations

In contemplating new legislation, action under existing legislation or other exercise of jurisdiction which may conflict with the legal requirements or established policies of another Member country and lead to conflicting requirements being imposed on multinational enterprises, the Member countries concerned should:

- i) Have regard to relevant principles of international law;

- ii) Endeavour to avoid or minimise such conflicts and the problems to which they give rise by following an approach of moderation and restraint, respecting and accommodating the interests of other Member countries¹;
- iii) Take fully into account the sovereignty and legitimate economic, law enforcement and other interests of other Member countries;
- iv) Bear in mind the importance of permitting the observance of contractual obligations and the possible adverse impact of measures having a retroactive effect. Member countries should endeavour to promote co-operation as an alternative to unilateral action to avoid or minimise conflicting requirements and problems arising therefrom. Member countries should on request consult one another and endeavour to arrive at mutually acceptable solutions to such problems.

b) Practical approaches

Member countries recognise that in the majority of circumstances, effective co-operation may best be pursued on a bilateral basis. On the other hand, there may be cases where the multilateral approach could be more effective. Member countries should therefore be prepared to:

- i) Develop mutually beneficial, practical and appropriately safeguarded bilateral arrangements, formal or informal, for notification to and consultation with other Member countries;
- ii) Give prompt and sympathetic consideration to requests for notification and bilateral consultation on an ad hoc basis made by any Member country which considers that its interests may be affected by any measure of the type referred to above, taken by another Member country with which it does not have such bilateral arrangements;
- iii) Inform the other concerned Member countries as soon as practicable of new legislation or regulations proposed by their Governments for adoption which have significant potential for conflict with the legal requirements or established policies of other Member countries and for giving rise to conflicting requirements being imposed on multinational enterprises;
- iv) Give prompt and sympathetic consideration to requests by other Member countries for consultation in the CIME or through other mutually acceptable arrangements. Such consultations would be facilitated by notification at the earliest stage practicable;
- v) Give prompt and full consideration to proposals which may be made by other Member countries in any such consultations that would lessen or eliminate conflicts.

These procedures do not apply to those aspects of restrictive business practices or other matters which are the subject of existing OECD arrangements.

¹ Applying the principle of comity, as it is understood in some Member countries, includes following an approach of this nature in exercising one's jurisdiction.

About the OECD

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Legal Instruments

Since the creation of the OECD in 1961, around 460 substantive legal instruments have been developed within its framework. These include OECD Acts (i.e. the Decisions and Recommendations adopted by the OECD Council in accordance with the OECD Convention) and other legal instruments developed within the OECD framework (e.g. Declarations, international agreements).

All substantive OECD legal instruments, whether in force or abrogated, are listed in the online Compendium of OECD Legal Instruments. They are presented in five categories:

- **Decisions** are adopted by Council and are legally binding on all Members except those which abstain at the time of adoption. They set out specific rights and obligations and may contain monitoring mechanisms.
- **Recommendations** are adopted by Council and are not legally binding. They represent a political commitment to the principles they contain and entail an expectation that Adherents will do their best to implement them.
- **Substantive Outcome Documents** are adopted by the individual listed Adherents rather than by an OECD body, as the outcome of a ministerial, high-level or other meeting within the framework of the Organisation. They usually set general principles or long-term goals and have a solemn character.
- **International Agreements** are negotiated and concluded within the framework of the Organisation. They are legally binding on the Parties.
- **Arrangement, Understanding and Others:** several other types of substantive legal instruments have been developed within the OECD framework over time, such as the Arrangement on Officially Supported Export Credits, the International Understanding on Maritime Transport Principles and the Development Assistance Committee (DAC) Recommendations.