



# Decision of the Council Adopting the Code of Liberalisation of Capital Movements

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## Background Information

The Code of Liberalisation of Capital Movements was born with the OECD in 1961 at a time when many OECD countries were in the process of economic recovery and development and when the international movement of capital faced many barriers. For almost 60 years, the Code has provided a balanced framework for countries progressively to remove barriers to the movement of capital, while providing flexibility to cope with situations of economic and financial instability. Throughout this period, the OECD has provided a forum for international dialogue and co operation.

Under the Code, Adherents are entitled to benefit from the liberalisation of other Adherents regardless of its own degree of openness.

The Code recognises that capital controls can play a role in specific circumstances. But because “beggar-thy-neighbour” approaches can have negative collective outcomes, countries have agreed under the Code to well-tested principles such as transparency, non-discrimination, proportionality and accountability to guide their recourse to controls. In the context of renewed discussions on reform of the international monetary system, including capital flow management, the G20 benefits from the work of the OECD on capital movements. All OECD Member countries, which include a majority of G20 members, are Adherents. Since 2012, the Code has also been open to non-OECD countries.

The most recent review of the Code (2016-2019) further strengthened the instrument while providing increased flexibility to address financial stability risks. The review facilitated collective action by boosting transparency, improved decision-making for the assessment of country-specific measures, and shared understandings on good practices relating to managing and liberalising capital flows.

*For more information on the OECD Codes of Liberalisation, please consult:*  
<http://www.oecd.org/daf/inv/investment-policy/codes.htm>

*Contact information:* [DAFCodes@oecd.org](mailto:DAFCodes@oecd.org)

**THE COUNCIL,**

**HAVING REGARD** to Articles 2 (d) and 5 (a) of the Convention on the Organisation for Economic Co-operation and Development of 14th December 1960;

**HAVING REGARD** to the Code of Liberalisation of Current Invisible Operations;

**HAVING REGARD** to the Articles of Agreement of the International Monetary Fund of 27 December 1945;

**HAVING REGARD** to the European Monetary Agreement of 5 August 1955, and the Protocol of Provisional Application of that Agreement of the same date;

**HAVING REGARD** to the Report of the Investment Committee on the Codes of Liberalisation of Current Invisibles and of Capital Movements of 28 October 1961, and the Comments by the Executive Committee on that Report of 8th December 1961 [OECD/C(61)37; OECD/C(61)73];

**DECIDES:***PART I***UNDERTAKINGS WITH REGARD TO CAPITAL MOVEMENTS***Article 1***General undertakings**

- a. Members shall progressively abolish between one another, in accordance with the provisions of Article 2, restrictions on movements of capital to the extent necessary for effective economic cooperation. Measures designed to eliminate such restrictions are hereinafter called "measures of liberalisation".
- b. Members shall, in particular, endeavour:
  - i) to treat all non-resident owned assets in the same way irrespective of the date of their formation, and
  - ii) to permit the liquidation of all non-resident owned assets and the transfer of such assets or of their liquidation proceeds.
- c. Members should use their best offices to ensure that the measures of liberalisation are applied within their overseas territories.
- d. Members shall endeavour to extend the measures of liberalisation to all members of the International Monetary Fund.
- e. Members shall endeavour to avoid introducing any new exchange restrictions on the movements of capital or the use of non-resident owned funds and shall endeavour to avoid making existing regulations more restrictive.

*Article 2***Measures of liberalisation**

- a. Subject to the provisions of paragraph (b)iv), Members shall grant any authorisation required for the conclusion or execution of transactions and for transfers specified in an item set out in List A or List B of Annex A to this Code.

- b. A Member may lodge reservations relating to the obligations resulting from paragraph (a) when:
- i) an item is added to List A of Annex A to this Code;
  - ii) obligations relating to an item in that List are extended;
  - iii) obligations relating to any such item begin to apply to that Member; or
  - iv) at any time, in respect of an item in List B.

Reservations shall be set out in Annex B to the Code.

c. Whenever the liquidation proceeds of non-resident owned assets may be transferred, the right of transfer shall include any appreciation of the original assets.

d. Whenever existing regulations or international agreements permit loans between residents of different Members otherwise than by issuing marketable domestic securities or by using, in the country in which the borrower resides, funds the transfer of which is restricted, the repayment obligation may be expressed or guaranteed in the currency of either of the two Members concerned.

### *Article 3*

#### **Public order and security**

The provisions of this Code shall not prevent a Member from taking action which it considers necessary for:

- i) the maintenance of public order or the protection of public health, morals and safety;
- ii) the protection of its essential security interests;
- iii) the fulfilment of its obligations relating to international peace and security.

### *Article 4*

#### **Obligations in existing multilateral international agreements**

Nothing in this Code shall be regarded as altering the obligations undertaken by a Member as a Signatory of the Articles of Agreement of the International Monetary Fund or other existing multilateral international agreements.

### *Article 5*

#### **Controls and formalities**

a. The measures of liberalisation provided for in this Code shall not limit the powers of Members to verify the authenticity of transactions or transfers nor to take any measures required to prevent evasion of their laws or regulations.

b. Members shall simplify as much as possible all formalities connected with the authorisation or verification of transactions or transfers and shall cooperate, if necessary, to attain such simplification.

### *Article 6*

#### **Execution of transfers**

A Member shall be deemed to have complied with its obligations as regards transfers whenever a transfer may be made:

- i) between persons entitled, by the exchange regulations of the State from which and of the State to which the transfer is to be made, respectively, to make and/or to receive the said transfer;
- ii) in accordance with international agreements in force at the time the transfer is to be made; and
- iii) in accordance with the monetary arrangements in force between the State from which and the State to which the transfer is to be made.

*Article 7*

**Clauses of derogation**

- a. If its economic and financial situation justifies such a course, a Member need not take the whole of the measures of liberalisation provided for in Article 2(a).
- b. If any measures of liberalisation taken or maintained in accordance with the provisions of Article 2(a) result in serious economic and financial disturbance in the Member State concerned, that Member may withdraw those measures.
- c. If the overall balance of payments of a Member develops adversely at a rate and in circumstances, including the state of its international reserves, which it considers serious, that member may temporarily suspend the application of measures of liberalisation taken or maintained in accordance with the provisions of Article 2(a).
- d. However, a Member invoking paragraph (c) shall endeavour to ensure that its measures of liberalisation:
  - i) cover, twelve months after it has invoked that paragraph, to a reasonable extent, having regard to the need for advancing towards the objective defined in subparagraph ii), transactions and transfers which the Member must authorise in accordance with Article 2(a) and the authorisation of which it has suspended, since it invoked paragraph (c); and
  - ii) comply, eighteen months after it has invoked that paragraph, with its obligations under Article 2(a).
- e. Any Member invoking the provisions of this Article shall do so in such a way as to avoid unnecessary damage, which bears especially on the financial or economic interests of another Member and, in particular, shall avoid any discrimination between other Members.

*Article 8*

**Right to benefit from measures of liberalisation**

Any Member lodging a reservation under Article 2(b) or invoking the provisions of Article 7 shall, nevertheless, benefit from the measures of liberalisation taken by other Members, provided it has complied with the procedure laid down in Article 12 or Article 13 as the case may be.

*Article 9*

**Non-discrimination**

A Member shall not discriminate as between other Members in authorising the conclusion and execution of transactions and transfers which are listed in Annex A and which are subject to any degree of liberalisation.

*Article 10***Exceptions to the principle of non-discrimination:  
Special customs or monetary systems**

Members forming part of a special customs or monetary system may apply to one another, in addition to measures of liberalisation taken in accordance with the provisions of Article 2(a), other measures of liberalisation without extending them to other Members. Members forming part of such a system shall inform the Organisation of its membership and those of its provisions which have a bearing on this Code.

*Part II***PROCEDURE***Article 11***Notification and information from members**

- a. Members shall notify the Organisation, within the periods which the latter may determine, of the measures of liberalisation which they have taken and of any other measures which have a bearing on this Code, as well as of any modifications of such measures.
- b. Members shall notify the Organisation forthwith of any cases in which they have by virtue of remark ii) against Section I of List A of Annex A to this Code imposed restrictions on specific transactions or transfers relating to direct investments and shall state their reasons for doing so.
- c. Members shall submit to the Organisation, at intervals determined by the Organisation, but of no more than eighteen months, information concerning:
  - i) any channels, other than official channels, through which transfers are made, and any rates of exchange applying to such transfers, if they are different from the official rates of exchange;
  - ii) any security money markets and any premiums or discounts in relation to official rates of exchange prevailing therein.
- d. The Organisation shall consider the notifications submitted to it in accordance with the provisions of paragraphs (a), (b) and (c) with a view to determining whether each Member is complying with its obligations under this Code.

*Article 12***Notification and examination of reservations lodged under article 2(b)**

- a. Each Member lodging a reservation in respect of an item specified in List B of Annex A to the Code shall forthwith notify the Organisation of its reasons therefor.
- b. Each Member shall notify the Organisation within a period to be determined by the Organisation, whether it desires to maintain any reservation lodged by it in respect of an item specified in List A or List B of Annex A to this Code, and if so, state its reasons therefor.
- c. The Organisation shall examine each reservation lodged by a Member in respect of an item specified in:
  - i) List A at intervals of not more than eighteen months;

- ii) List B within six months of notification, and at intervals of not more than eighteen months thereafter;
- d. unless the Council decides otherwise.
- e. The examinations provided for in paragraph (c) shall be directed to making suitable proposals designed to assist Members to withdraw their reservations.

*Article 13*

**Notification and examination of derogations made under article 7**

- a. Any Member invoking the provisions of Article 7 shall notify the Organisation forthwith of its action, together with its reasons therefore.
- b. The Organisation shall consider the notification and reasons submitted to it in accordance with the provisions of paragraph (a) with a view to determining whether the Member concerned is justified in invoking the provisions of Article 7 and, in particular, whether it is complying with the provisions of paragraph (e) of that Article.
- c. If the action taken by a Member in accordance with the provisions of Article 7 is not disapproved by the Organisation, that action shall be reconsidered by the Organisation every six months or, subject to the provisions of Article 15, on any other date which the latter may deem appropriate.
- d. If, however, in the opinion of a Member other than the one which has invoked Article 7, the circumstances justifying the action taken by the latter in accordance with the provisions of that Article have changed, that other Member may at any time refer to the Organisation for reconsideration of the case at issue.
- e. If the action taken by a Member in accordance with the provisions of paragraph (a), (b) or (c) of Article 7 has not been disapproved by the Organisation, then if that Member subsequently invokes paragraph (a), (b) or (c) of Article 7 of the Code of Liberalisation of Current Invisible Operations, or, having invoked one paragraph of Article 7 of this Code, invokes another paragraph of that Article, its case shall be reconsidered by the Organisation after six months have elapsed since the date of the previous consideration, or on any other date which the latter may deem appropriate. If another Member claims that the Member in question is failing to carry out its obligations under paragraph (e) of Article 7 of this Code or paragraph (e) of Article 7 of the Code of Liberalisation of Current Invisible Operations, the Organisation shall consider the case without delay.
  - i) If the Organisation, following its consideration in accordance with paragraph (b), determines that a Member is not justified in invoking the provisions of Article 7 or is not complying with the provisions of that Article, it shall remain in consultation with the Member concerned, with a view to restoring compliance with the Code.
  - ii) If, after a reasonable period of time, that Member continues to invoke the provisions of Article 7, the Organisation shall reconsider the matter. If the Organisation is then unable to determine that the Member concerned is justified in invoking the provisions of Article 7 or is complying with the provisions of that Article, the situation of that Member shall be examined at a session of the Council convened by its Chair for this purpose unless the Organisation decides on some other procedure.



*Article 14***Examination of derogations made under article 7:  
Members in process of economic development**

- a. In examining the case of any Member which it considers to be in the process of economic development and which has invoked the provisions of Article 7 the Organisation shall have special regard to the effect that the economic development of the Member has upon its ability to carry out its obligations under paragraph (a) of Articles 1 and 2.
- b. In order to reconcile the obligations of the Member concerned under paragraph (a) of Article 2 with the requirements of its economic development, the Organisation may grant that Member a special dispensation from those obligations.

*Article 15***Special report and examination concerning derogations made under Article 7**

- a. A Member invoking the provisions of paragraph (c) of Article 7 shall report to the Organisation, within ten months after such invocation, on the measures of liberalisation it has restored or proposes to restore in order to attain the objective determined in sub-paragraph (d)i) of Article 7. The Member shall, if it continues to invoke these provisions, report to the Organisation again on the same subject - but with reference to the objective determined in subparagraph (d)ii) of Article 7 - within sixteen months after such invocation.
- b. If the Member considers that it will not be able to attain the objective, it shall indicate its reasons in its report and, in addition, shall state:
- i) what internal measures it has taken to restore its economic equilibrium and what results have already been attained, and
  - ii) what further internal measures it proposes to take and what additional period it considers it will need in order to attain the objective determined in subparagraph (d)i) or (d)ii) of Article 7.
- c. In cases referred to in paragraph (b), the Organisation shall consider within a period of twelve months, and, if required, of eighteen months from the date on which the Member invoked the provisions of paragraph (c) of Article 7, whether the situation of that Member appears to justify its failure to attain the objective determined in subparagraph (d)i) or (d)ii) of Article 7 and whether the measures taken or envisaged and the period considered by it as necessary for attaining the objective determined, appear acceptable in the light of the objectives of the Organisation in the commercial and financial fields.
- d. If a Member invokes the provisions of both paragraph (c) of Article 7 of this Code and paragraph (c) of Article 7 of the Code of Liberalisation of Current Invisible Operations, the periods of twelve and eighteen months referred to in paragraph (c) shall run from the date of the earlier invocation.
- e. If following any of the examinations provided for in paragraph (c) the Organisation is unable to approve the arguments advanced by the Member concerned in accordance with the provisions of paragraph (b), the situation of that Member shall be examined at a session of the Council convened by its Chair for this purpose unless the Organisation decides on some other procedure.

*Article 16***Reference to the Organisation - Internal arrangements**

- a. If a Member considers that the measures of liberalisation taken or maintained by another Member, in accordance with Article 2(a), are frustrated by internal arrangements likely to restrict the

possibility of effecting transactions or transfers, and if it considers itself prejudiced by such arrangements, for instance because of their discriminatory effect, it may refer to the Organisation.

b. The Secretariat may also bring to the attention of the Committee cases where it deems that compliance with the Code is not assured and may be prejudicial to Members.

c. If, following the consideration of a matter referred to it under paragraphs (a) and (b) the Organisation determines that internal arrangements introduced or maintained by the Member concerned have the effect of frustrating its measures of liberalisation, the Organisation may make suitable suggestions with regard to the removal or modification of such arrangements.

#### *Article 17*

### **Reference to the Organisation - Retention, introduction or reintroduction of restrictions**

a. If a Member considers that another Member which has not invoked the provisions of Article 7 has retained, introduced or reintroduced restrictions on capital movements or the use of non-resident-owned funds contrary to the provisions of Articles 1, 2, 9 or 10, and if it considers itself to be prejudiced thereby, it may refer to the Organisation.

b. The fact that the case is under consideration by the Organisation shall not preclude the Member which has referred to the Organisation from entering into bilateral conversations on the matter with the other Member concerned.

#### *PART III*

### **TERMS OF REFERENCE**

#### *Article 18*

### **Investment Committee - General tasks**

a. The Investment Committee shall consider all questions concerning the interpretation or implementation of the provisions of this Code or other Acts of the Council relating to the liberalisation of capital movements and the use of non-residents-owned funds and shall report its conclusions thereon to the Council as appropriate.

b. The Investment Committee shall submit to the Council any appropriate proposals in connection with its tasks as defined in paragraph (a) and, in particular, with the extension of measures of liberalisation as provided in Article 1 of this Code.

#### *Article 19*

### **Investment Committee - Special tasks**

a. The Investment Committee shall:

- i) determine the periods within which the information provided for in paragraphs (a) and (c) of Article 11 and the reasons provided for in paragraph (b) of Article 12 should be notified to the Organisation by the Members concerned;
- ii) subject to paragraph (c) of this Article, consider, in conformity with paragraphs (c) and (d) of Article 12, each reservation notified to the Organisation in accordance with paragraphs (a) and (b) of that Article and make, where appropriate, suitable proposals designed to assist Members to withdraw their reservations;

- iii) determine, in accordance with the provisions of Article 12, the date on which any reservation should be re-examined, if the reservation has not been withdrawn in the meantime;
  - iv) consider, in accordance with the provisions of paragraph (d) of Article 11, the notifications submitted to the Organisation;
  - v) consider reports and references submitted to the Organisation in accordance with the provisions of Article 13 or paragraphs (a) and (b) of Article 15 where a Member has invoked the provisions of Article 7, or submitted in accordance with the provisions of Article 16 or Article 17;
  - vi) determine the date on which the case of a Member which has invoked Article 7 should be reconsidered in accordance with the provisions of paragraph (c), paragraph (e) or paragraph (f)ii) of Article 13;
  - vii) transmit to the United States Government, with any comments it considers appropriate, notifications received from Members in accordance with paragraph 2(a) of the Decision in Annex C to the Code; and
  - viii) consider information received from the United States Government in accordance with paragraph 2(b) of the Decision in Annex C to the Code.
- b. When examining the reservations notified in accordance with paragraph (b) of Article 12, the Committee may, at its discretion, consider together either all reservations made by the same Member or all reservations made in respect of the same item specified in Annex A to this Code.
- c. The Committee shall, however, not consider any reservations notified to the Organisation in accordance with paragraph (b) of Article 12 by a Member which, at the time of the examination in respect of the item subject to that reservation, is invoking the provisions of Article 7 or is enjoying a dispensation in accordance with paragraph (b) of Article 14.
- d. In the cases provided for in subparagraphs ii), iv), v) and viii) of paragraph (a), the Committee shall report to the Council, except in cases of notifications under Article 11 (b) on which the Committee shall report only if it considers this appropriate.
- e. The Committee shall, whenever it considers it necessary:
- i) consult other Committees of the Organisation and/or other relevant international organisations on any questions relating to the liberalisation of capital movements; and, in particular,
  - ii) request other Committees of the Organisation and/or the International Monetary Fund (IMF) to give their views on any questions relating to the balance of payments and the state of the international reserves of a Member.

#### *PART IV*

### **MISCELLANEOUS**

#### *Article 20*

#### **Definitions**

In this Code:

- i) "Member" shall mean a country which adheres to this Code;
- ii) "Domestic securities" shall mean securities issued or to be issued by a resident;
- iii) "Foreign securities" shall mean securities issued or to be issued by a non-resident;

- iv) “Recognised security market” shall mean a stock exchange or security market in a Member country (including an over-the-counter market organised by a recognised association of security dealers);
  - a. which is officially recognised in the country where it operates;
  - b. on which the public can buy and sell securities; and
  - c. on which dealings take place in accordance with fixed rules;
- v) “Securities quoted on a recognised security market” shall mean securities which have been granted an official quotation or are officially listed on such a market or for which dealing prices on such a market are published not less frequently than once a week;
- vi) Security dealing on a “spot basis” shall mean dealing with payment and delivery to be made immediately the transaction is concluded or on the next periodic settlement date of the stock exchange where the transaction takes place;
- vii) “Money market securities” shall mean securities with an original maturity of less than one year;
- viii) “Collective investment securities” shall mean the share certificates, registry entries or other evidence of investor interest in an institution for collective investment which, irrespective of legal form, is organised for the purpose of managing investments in securities or in other assets, applies the principle of risk-spreading, issues its own securities to the public on demand either continuously or at frequent intervals and is required on the request of the holder to redeem such securities, directly or indirectly, within a specified period and at their net asset value;
- ix) “Financial institutions” shall mean banks, savings banks, bodies which specialise in the granting of credits, insurance companies, building societies, investment companies, and other establishments of a similar nature;
- x) “Deposit” shall mean a sum of money paid on terms: a) under which it will be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by the person making it or receiving it or by his order, and b) which are not referable to the provision of property or services or to the giving of security;
- xi) “Official channels” shall mean foreign exchange markets in which an officially established rate or officially established rates apply and in which spot transactions take place at rates which are free to fluctuate within the official margins;
- xii) “Blocked funds” shall mean funds owned by residents of other Member countries in accordance with the laws and regulations of the Member where the funds are held and blocked for balance of payments reasons;
- xiii) “Unit of account” shall mean the sum in the national currency of a Member which is equal to a unit of value of special drawing rights as valued by the International Monetary Fund.

*Article 21*

**Title of decision**

This Decision, referred to in the present text as the “Code”, shall be known as the “Code of Liberalisation of Capital Movements”.

*Article 22*

**Withdrawal**

Any Member may withdraw from the Code by transmitting a notice in writing to the Secretary-General of the Organisation. The withdrawal shall become effective twelve months from the date on which such notice is received.

## Annex A

### Liberalisation Lists of Capital Movements<sup>1</sup>

#### LIST A

#### I. Direct Investment

Investment for the purpose of establishing lasting economic relations with an undertaking such as, in particular, investments which give the possibility of exercising an effective influence on the management thereof:

##### A. *In the country concerned by non-residents by means of:*

1. Creation or extension of a wholly-owned enterprise, subsidiary or branch, acquisition of full ownership of an existing enterprise;
2. Participation in a new or existing enterprise;
3. A loan of five years or longer.

##### B. *Abroad by residents by means of:*

1. Creation or extension of a wholly-owned enterprise, subsidiary or branch, acquisition of full ownership of an existing enterprise;
2. Participation in a new or existing enterprise;
3. A loan of five years or longer.

*Remarks: Transactions and transfers under A and B shall be free unless:*

- i) *An investment is of a purely financial character designed only to gain for the investor indirect access to the money or financial market of another country; or*
- ii) *In view of the amount involved or of other factors a specific transaction or transfer would have an exceptionally detrimental effect on the interests of the Member concerned.*

*The authorities of Members shall not maintain or introduce:*

*Regulations or practices applying to the granting of licences, concessions, or similar authorisations, including conditions or requirements attaching to such authorisations and affecting the operations of enterprises, that raise special barriers or limitations with respect to non-resident (as compared to resident) investors, and that have the intent or the effect of preventing or significantly impeding inward direct investment by non-residents.*

#### II. Liquidation of direct investment

##### A. *Abroad by residents.*

##### B. *In the country concerned by non-residents.*

#### III. Operations in real estate<sup>2</sup>

##### A. *Operations in the country concerned by non-residents:*

1. (See List B)
2. Sale.

**B. Operations abroad by residents:**

1. (See List B)
2. Sale.

**IV. Operations in securities on capital markets<sup>3</sup>****A. Admission of domestic securities on a foreign capital market:**

- |   |   |   |
|---|---|---|
| <ol style="list-style-type: none"> <li>1. Issue through placing or public sale of</li> <li>2. Introduction on a recognised domestic security market of</li> </ol> | } | <ol style="list-style-type: none"> <li>a) shares or other securities of a participating nature;</li> <li>b) bonds and other debt securities (original maturity of one year or more).</li> </ol> |
|---|---|---|

**B. Admission of foreign securities on the domestic capital market:**

- |   |   |   |
|---|---|---|
| <ol style="list-style-type: none"> <li>1. Issue through placing or public sale of</li> <li>2. Introduction on a recognised domestic security market of</li> </ol> | } | <ol style="list-style-type: none"> <li>a) shares or other securities of a participating nature;</li> <li>b) bonds and other debt securities (original maturity of one year or more).</li> </ol> |
|---|---|---|

**C. Operations in the country concerned by non-residents:**

- |  |   |   |
|--|---|---|
| <ol style="list-style-type: none"> <li>1. Purchase</li> <li>2. Sale</li> </ol> | } | <ol style="list-style-type: none"> <li>a) shares or other securities of a participating nature;</li> <li>b) bonds and other debt securities (original maturity of one year or more).</li> </ol> |
|--|---|---|

**D. Operations abroad by residents:**

- |  |   |   |
|--|---|---|
| <ol style="list-style-type: none"> <li>1. Purchase</li> <li>2. Sale</li> </ol> | } | <ol style="list-style-type: none"> <li>a) shares or other securities of a participating nature;</li> <li>b) bonds and other debt securities (original maturity of one year or more).</li> </ol> |
|--|---|---|

*Remarks: The liberalisation obligations under B1 and B2 are subject to the regulations of the security markets concerned. The authorities of Members shall not maintain or introduce restrictions which discriminate against foreign securities.*

*Members may:*

- a) *With regard to transactions and transfers under A, B, C and D require that:*

- i) *Such transactions and transfers must be carried out through authorised resident agents;*
- ii) *In connection with such transactions and transfers residents may hold funds and securities only through the intermediary of such agents; and*
- iii) *Purchases and sales may be contracted only on a spot basis;*
- b) *With regard to transactions and transfers under C2, take measures for the protection of investors, including the regulation of promotional activities, provided such measures do not discriminate against the residents of any other Member;*
- c) *With regard to transactions and transfers under D1, regulate on their territory any promotional activities by, or on behalf of, the residents of other Members.*

**V. Operations on money markets<sup>4</sup>**

(See List B)

**VI. Other operations in negotiable instruments and non-securitised claims<sup>5</sup>**

(See List B)

**VII. Operations in collective investment securities**

**A. Admission of domestic collective investment securities on a foreign securities market:**

1. Issue through placing or public sale.
2. Introduction on a recognised foreign securities market.

**B. Admission of foreign collective investment securities on the domestic securities market:**

1. Issue through placing or public sale.
2. Introduction on a recognised domestic securities market.

**C. Operations in the country concerned by non-residents:**

1. Purchase.
2. Sale.

**D. Operations abroad by residents:**

1. Purchase.
2. Sale.

*Remarks: The liberalisation obligations under B1 and B2 are subject to the regulations of the security markets concerned.*

*The authorities of Members shall not maintain or introduce restrictions which discriminate against foreign collective investment securities.*

*Members may:*

- a) *With regard to transactions and transfers under A, B, C and D require that:*

- i) *Such transactions and transfers must be carried out through authorised resident agents;*
  - ii) *In connection with such transactions and transfers residents may hold funds and securities only through the intermediary of such agents; and*
  - iii) *Purchases and sales may be contracted only on a spot basis;*
- b) *With regard to transactions and transfers under C2, take measures for the protection of investors, including the regulation of promotional activities, provided such measures do not discriminate against institutions for collective investment organised under the laws of any other Member;*
- c) *With regard to transactions and transfers under D1, regulate on their territory any promotional activities of foreign institutions for collective investment.*

**VIII. Credits directly linked with international commercial transactions or with the rendering of international services**

- i) In cases where a resident participates in the underlying commercial or service transaction.

**A. Credits granted by non-residents to residents.**

**B. Credits granted by residents to non-residents.**

- ii) In cases where no resident participates in the underlying commercial or service transaction.

(See List B)

**IX. Financial credits and loans<sup>6</sup>**

(See List B)

**X. Sureties, guarantees and financial backup facilities**

- i) In cases directly related to international trade or international current invisible operations, or in cases related to international capital movement operations in which a resident participates.

**A. Sureties and guarantees:**

1. By non-residents in favour of residents.
2. By residents in favour of non-residents.

**B. Financial back up facilities:**

1. By non-residents in favour of residents.
2. By residents in favour of non-residents

*Remark: Transactions and transfers under X(i)A and B shall be free if they are directly related to international trade, international current invisible operations or international capital movement operations in which a resident participates and which do not require authorisation or have been authorised by the Member concerned.*

- ii) In cases not directly related to international trade, international current invisible operations or international capital movement operations, or where no resident participates in the underlying international operation concerned.

**A. Sureties and guarantees:**



1. By non-residents in favour of residents.
2. By residents in favour of non-residents.

**B. Financial back up facilities:**

(See List B)

**XI. Operation of deposit accounts<sup>7</sup>**

**A. Operation by non-residents of accounts with resident institutions:**

1. In domestic currency.
2. In foreign currency.

**B. Operation by residents of accounts with non-residents institutions:**

(See List B)

*Remark: Transactions and transfers under XI/A shall be free provided the deposit accounts are operated with financial institutions authorised to accept deposits.*

**XII. Operations in foreign exchange<sup>8</sup>**

(See List B)

**XIII. Life assurance**

Capital transfers arising under life assurance contracts<sup>9</sup>:

**A. Transfers of capital and annuities certain due to resident beneficiaries from non-resident insurers.**

**B. Transfers of capital and annuities certain due to non-resident beneficiaries from resident insurers.**

*Remark: Transfers under A and B shall be free also in the case of contracts under which the persons from whom premiums are due or the beneficiaries to whom disbursements are due were residents of the same country as the insurer at the time of the conclusion of the contract but have changed their residence since.*

**XIV. Personal capital movements**

**A. Loans.**

**B. Gifts and endowments.**

**C. Dowries.**

**D. Inheritances and legacies.**

*Remark: Transfers under D shall be free provided that the deceased was resident and the beneficiary non-resident at the time of the deceased's death.*

**E. Settlement of debts in their country of origin by immigrants.**

**F. Emigrants' assets.**

*Remark: Transfers under F shall be free upon emigration irrespective of the nationality of the emigrant.*

**G. Gaming.**

(See List B)

**H. Savings of non-resident workers.**

**XV. Physical movement of capital assets**

**A. Securities and other documents of title to capital assets:**

1. Import.
2. Export.

**B. Means of payment:**

1. Import.
2. Export.

*Remark: In the case of residents the obligation to permit an export applies only to the export of foreign securities and then only on a temporary basis for administrative purposes.*

**XVI. Disposal of non-resident-owned blocked funds**

**A. Transfer of blocked funds.**

**B. Use of blocked funds in the country concerned:**

1. For operations of a capital nature.
2. For current operations.

**C. Cession of blocked funds between non-residents.**

**LIST B<sup>10</sup>**

**III. Operations in real estate<sup>11</sup>**

**A. Operations in the country concerned by non-residents:**

1. Building or purchase.
2. (See List A)

**B. Operations abroad by residents:**

1. Building or purchase.
2. (See List A)

**V. Operations on money markets<sup>12</sup>**

**A. Admission of domestic securities and other instruments on a foreign money market:**

1. Issue through placing or public sale.
2. Introduction on a recognised foreign money market.

**B. Admission of foreign securities and other instruments on the domestic money market:**

1. Issue through placing or public sale.
2. Introduction on a recognised domestic money market.

**C. Operations in the country concerned by non-residents:**

1. Purchase of money market securities.
2. Sale of money market securities.
3. Lending through other money market instruments.
4. Borrowing through other money market instruments.

**D. Operations abroad by residents:**

1. Purchase of money market securities.
2. Sale of money market securities.
3. Lending through other money market instruments.
4. Borrowing through other money market instruments.

*Remarks: The liberalisation obligations under B1 and B2 are subject to the regulations of the security markets concerned.*

*The authorities of Members shall not maintain or introduce restrictions which discriminate against foreign money market securities or other money market instruments.*

*Members may:*

- a) *With regard to transactions and transfers under A, B, C and D require that:*
  - i) *Such transactions and transfers must be carried out through authorised resident agents;*
  - ii) *In connection with such transactions and transfers residents may hold funds, securities and other instruments only through the intermediary of such agents; and*
  - iii) *Purchases and sales may be contracted only on a spot basis;*
- b) *With regard to transactions and transfers under C2, take measures for the protection of investors, including the regulation of promotional activities, provided such measures do not discriminate against the residents of any other Member;*
- c) *With regard to transactions and transfers under D1, regulate on their territory any promotional activities, by or on behalf of, the residents of other Members.*

**VI. Other operations in negotiable instruments and non-securitised claims<sup>13</sup>****A. Admission of domestic instruments and claims on a foreign financial market:**

1. Issue through placing or public sale.
2. Introduction on a recognised foreign financial market.

**B. Admission of foreign instruments and claims on a domestic financial market:**

1. Issue through placing or public sale.
2. Introduction on a recognised domestic financial market.

**C. Operations in the country concerned by non-residents.**

1. Purchase.
2. Sale.
3. Exchange for other assets.

**D. Operations abroad by residents:**

1. Purchase.
2. Sale.
3. Exchange for other assets.

*Remarks: The liberalisation obligations under B1 and B2 are subject to the regulations of the financial markets concerned.*

*The authorities of Members shall not maintain or introduce restrictions, which discriminate against foreign negotiable instruments or non-securitised claims.*

*Members may:*

- a) *With regard to transactions and transfers under A, B, C and D require that:*
  - i) *Such transactions and transfers must be carried out through authorised resident agents; and*
  - ii) *In connection with such transactions and transfers residents may hold funds, negotiable instruments and non-securitised claims only through the intermediary of such agents;*
- b) *With regard to transactions and transfers under C2 and C3, take measures for the protection of investors, including the regulation of promotional activities, provided such measures do not discriminate against the residents of any other Member;*
- c) *With regard to transactions and transfers under D1 and D3, regulate on their territory any promotional activities by, or on behalf of, the residents of other Members.*

**VIII. Credits directly linked with international commercial transactions or with the rendering of international services**

- i) In cases where a resident participates in the underlying commercial or service transaction.  
(See List A)
- ii) In cases where no resident participates in the underlying commercial or service transaction.

**A.** -

**B. Credits granted by residents to non-residents.**

*Remark: Transactions and transfers under VIII(ii)/B shall be free if the creditor is an enterprise permitted to extend credits and loans on its national market.*

**IX. Financial credits and loans<sup>14</sup>****A. Credits and loans granted by non-residents to residents.****B. Credits and loans granted by residents to non-residents.**

*Remarks: Transactions and transfers under IX/A shall be free if the debtor is an enterprise.*

*Transactions and transfers under IX/B shall be free if the creditor is an enterprise permitted to extend credits and loans on its national market.*

**X. Sureties, guarantees and financial backup facilities**

- i) In cases directly related to international trade or international current invisible operations, or in cases related to international capital movement operations in which a resident participates.

(See List A)

- ii) In cases not directly related to international trade, international current invisible operations, or international capital movement operations, or where no resident participates in the underlying international operation concerned.

**A. Sureties and guarantees:**

(See List A)

**B. Financial back up facilities:**

1. By non-residents in favour of residents.
2. By residents in favour of non-residents.

**XI. Operation of deposit accounts<sup>15</sup>****A. Operation by non-residents of accounts with resident institutions:**

(See List A)

**B. Operation by residents of accounts with non-resident institutions:**

1. In domestic currency.
2. In foreign currency.

**XII. Operations in foreign exchange<sup>16</sup>****A. In the country concerned by non-residents:**

1. Purchase of domestic currency with foreign currency.
2. Sale of domestic currency for foreign currency.
3. Exchange of foreign currencies.

**B. Abroad by residents:**

1. Purchase of foreign currency with domestic currency.
2. Sale of foreign currency for domestic currency.

## 3. Exchange of foreign currencies.

*Remark: Transactions and transfers under XII/A and B shall be free provided the operations are carried out through authorised resident agents.*

**XIV. Personal capital movements****A. to F. (See List A)****G. Gaming.**

*Remark: Transfers under G shall be free only in respect of winnings. The provision does not cover the stakes wagered.*

**H. (See List A)**

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*Annexes B (individual country reservations under the instrument) to E and Appendixes 1 to 2 are available at this [link](#).*

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- <sup>1</sup> All items in the General List of International Capital Movements and Certain Related Operations (see Annex D to the Code) appear on either List A or List B in this Annex A.
  - <sup>2</sup> Other than operations falling under Sections I or II of the General List.
  - <sup>3</sup> Other than operations falling under Section IV of the General List.
  - <sup>4</sup> Other than operations falling under Section IV of the General List.
  - <sup>5</sup> Other than operations falling under Sections IV, V or VII of the General List.
  - <sup>6</sup> Other than credits and loans falling under Sections I, II, VIII or XIV of the General List.
  - <sup>7</sup> Other than operations falling under Section V of the General List.
  - <sup>8</sup> Other than operations falling under any other Section of the General List.
  - <sup>9</sup> Transfers of premiums and pensions and annuities, other than annuities certain, in connection with life assurance contracts are governed by the Code of Liberalisation of Current Invisible Operations (Item D/3). Transfers of whatever kind or size under other than life assurance contracts are always considered to be of a current nature and are consequently governed by the Current Invisibles Code.
  - <sup>10</sup> All items in the General List of International Capital Movements and Certain Related Operations (see Annex D to the Code) appear on either List A or List B in this Annex A.
  - <sup>11</sup> Other than operations falling under Sections I or II of the General List.
  - <sup>12</sup> Other than operations falling under Section IV of the General List.
  - <sup>13</sup> Other than operations falling under Sections IV, V or VII of the General List.
  - <sup>14</sup> Other than credits and loans falling under Sections I, II, VIII or XIV of the General List.
  - <sup>15</sup> Other than operations falling under Section V of the General List.
  - <sup>16</sup> Other than operations falling under any other Section of the General List.

## 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.