

## Declaration on International Investment and Multinational Enterprises

*Adhering Government<sup>1</sup>*

### Considering:

- That international investment is of major importance to the world economy, and has considerably contributed to the development of their countries;
- That multinational enterprises play an important role in this investment process;
- That 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 and resolve difficulties which may arise from their operations;
- That 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;

### Declare:

**1. Guidelines for multinational enterprises:** That they jointly recommend to multinational enterprises operating in or from their territories the observance of the Guidelines, set forth in Annex 1 hereto <sup>2</sup>, having regard to the considerations and understandings that are set out in the Preface and are an integral part of them;”

### 2. National treatment

2.1. That adhering governments should, consistent with their needs to maintain public order, to protect their essential security interests and to fulfil commitments relating to international peace and security, accord to enterprises operating in their territories and owned or controlled directly or indirectly by nationals of another adhering government (hereinafter referred to as "Foreign-Controlled Enterprises") 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 (hereinafter referred to as "National Treatment");

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<sup>1</sup> As at 25 May 2011 adhering governments are those of all OECD members, as well as Argentina, Brazil, Egypt, Latvia, Lithuania, Morocco, Peru and Romania. The European Community has been invited to associate itself with the section on National Treatment on matters falling within its competence.

<sup>2</sup> Please see the text of the Guidelines for Multinational Enterprises at [www.oecd.org/document/28/0,3746,en\\_2649\\_34889\\_2397532\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/28/0,3746,en_2649_34889_2397532_1_1_1_1,00.html).

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2.2. That adhering governments will consider applying "National Treatment" in respect of countries other than adhering governments;

2.3. That adhering governments will endeavour to ensure that their territorial subdivisions apply "National Treatment";

2.4. That this Declaration does not deal with the right of adhering governments to regulate the entry of foreign investment or the conditions of establishment of foreign enterprises;

**3. Conflicting requirements:** That they will co-operate with a view to avoiding or minimising the imposition of conflicting requirements on multinational enterprises and that they will take into account the general considerations and practical approaches as set forth in Annex 2 hereto<sup>3</sup>.

### **4. International investment incentives and disincentives**

4.1. That they recognise the need to strengthen their co-operation in the field of international direct investment;

4.2. That they thus recognise the need to give due weight to the interests of adhering governments affected by specific laws, regulations and administrative practices in this field (hereinafter called "measures") providing official incentives and disincentives to international direct investment;

4.3. That adhering governments will endeavour to make such measures as transparent as possible, so that their importance and purpose can be ascertained and that information on them can be readily available;

**5. Consultation procedures:** That they are prepared to consult one another on the above matters in conformity with the relevant Decisions of the Council;

**6. Review:** That they will review the above matters periodically with a view to improving the effectiveness of international economic co-operation among adhering governments on issues relating to international investment and multinational enterprises.

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<sup>3</sup> The text of General Considerations and Practical Approaches concerning Conflicting Requirements Imposed on Multinational Enterprises is available from the OECD Website [www.oecd.org/daf/investment](http://www.oecd.org/daf/investment).