Slow Third Quarter for Foreign Direct Investment Changes

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As expected, it's been a slow third quarter for changes to foreign direct investment (FDI). Following on from my last update, we'll start in the AsiaPac region and move westward.

Australia has been evaluating the reforms to foreign direct investment that commenced in beginning of the year. The Treasury is evaluating whether these reforms have struck the right balance between foreign investment and protecting Australia's national interests. To help with this evaluation, the Treasury issued a consultation for public comments which results have not yet been published. It is expected that the Treasury's evaluation of the impact of the FDI reforms will be completed in early December.

Traveling west, **India** has increased the foreign investment limit in its insurance sector to 74%. Also during this time, SEBI amended the takeover code changing disclosure requirements. Most notably, Regulation 30 is omitted and Regulation 31 which relates to encumbered shares has been updated to omit disclosures if encumbered shares are undertaken in a depository. These changes will become effective 1 April 2022.

The **UAE**, increased its foreign investment limit in each of Etisalat and du (Emirates Integrated Telecommunications) to 49% of share capital from 20% available for foreign ownership.

Flying over much of Europe to finish this update with **France** where just this week, the government issued an order adding EU regulation on screening foreign direct investments and further amendments to their order issued December 2019. They also added technologies involved in production of renewable energy to the list of critical technologies to which foreign investment controls (IEF) apply. These changes will be effective 1 January 2022.

I'm sure there'll be more to report in the fourth quarter as we get closer to the implementation of the **UK**'s National Security and Investment Act which is due to commence on 4 January 2022.

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