OECD Services Trade Restrictiveness Index
Policy trends up to 2024

February 2024

OECD

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POLICY TRENDS UP TO 2024

BETTER POLICIES FOR BETTER LIVES

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OECD Services Trade Restrictiveness Index: Policy Trends up to 2024

This report highlights the key outcomes of the 2023 OECD Services Trade Restrictiveness Index (STRI). The OECD's quantification of services regimes across countries and over time seeks to inform the decisions of policy makers and regulators, to convey transparent and accessible information to exporters, and to provide a source of data for academic research on drivers and impediments to services trade.

Main findings

- **The supply of services through commercial presence and digital trade are facing headwinds, as global services providers are confronted by fragmented regulatory environments.** The OECD's annual measurement of services trade restrictions identifies new barriers in 2023 that affect foreign investment and operations across services sectors. These include new or revised policies across several countries related to the screening of foreign direct investment affecting services sectors such as computer services, telecommunications, transport, and commercial banking. Moreover, tightening rules on digital trade and foreign e-commerce platforms add to the challenges faced by global services providers.
- **Improved market conditions for infrastructure services**. New policies in 2023 contributed to easing regulatory hurdles in some countries. The liberalisation of infrastructure-related services such as construction, architecture, and engineering services is particularly noteworthy (e.g. with liberalising policies in Canada and the People's Republic of China, among others). Other examples are more sector specific affecting for instance financial services (e.g. easing conditions for foreigners to buy shares in local banks in Brazil), professional services (e.g. facilitating market access to foreign lawyers in India), digitally enabled services (e.g. amending rules on data protection in Korea and enacting a new Digital Personal Data Protection Act in India) and the reduction of government involvement in key enterprises in some countries (e.g. Israel, Lithuania and the United Kingdom). The overall number of policy reforms identified in 2023 was fewer than in 2022, but aggregate liberalising policies outweighed the introduction of new restrictions.
- **Japan, Spain and the United Kingdom were top ranked performers** as countries with the lowest average regulatory barriers to services trade in 2023. China, Korea, and Portugal were the economies with the highest degree of liberalising reform.
- **National and collective efforts required to advance services liberalisation, benefit exporters, lower trade costs and enhance productivity**. OECD estimates show that trade costs could decline by 20% to 37% for providers of commercial banking services – a key intermediate service across the economy – if countries were to pursue ambitious reforms. Moreover, lowering trade barriers in upstream services sectors can have a positive effect on economic performance along the global supply chain. For instance, ambitious reforms in air transport – the most restrictive sector across countries – could increase downstream manufacturing productivity by 8.4% on average across 17 manufacturing industries. Recognising the benefits of open services markets and a rules-based international trading system, more national and multilateral actions are needed to further accelerate the liberalisation of services trade policies to counterbalance the volume of barriers accumulated over the past years.

Services trade restrictions were high in 2023

In the first half of 2023, the volume of global trade in goods and services grew by 0.1% at an annualised rate, with growth in services counterbalancing decreased merchandise trade volumes (OECD, 2023[1]). Indeed, global services trade grew 7% year-on-year in the second quarter of 2023, but remains subpar compared to the second quarter of 2022 when services trade was up 19% year-on-year (WTO, 2023[2]). Key drivers of growth include travel services, commercial services, and goods-related services.

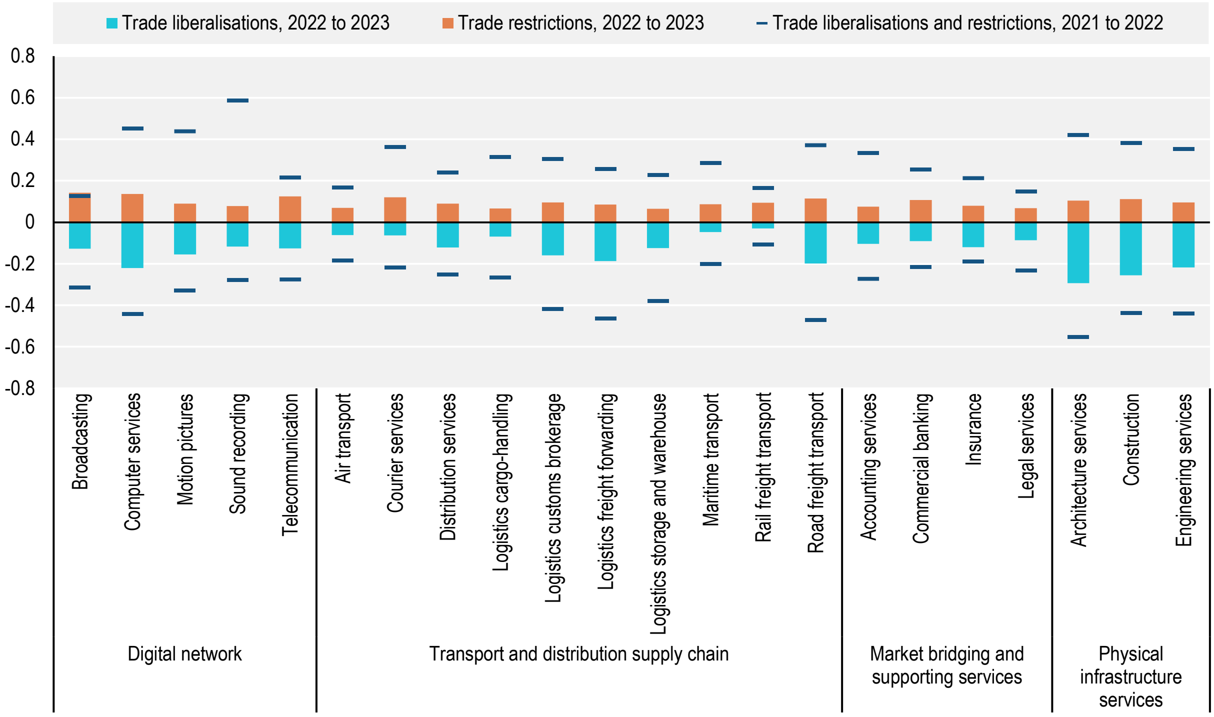
In this context, the latest OECD Services Trade Restrictiveness Index (STRI) shows that barriers to services trade continue to be high across countries and sectors, influenced by global economic and geopolitical challenges. This was compounded by the introduction of new policies in 2023 affecting the supply of services through commercial presence and foreign investment. Several countries introduced new foreign investment screening mechanisms or revised existing ones, establishing tighter scrutiny of investment in sectors such as computer services, telecommunications, broadcasting, transport, and commercial banking. Moreover, the tightening of rules on cross-border data flows (e.g. in Viet Nam) and introduction of entry limits for foreign e-commerce platforms (e.g. in Indonesia) added to the challenges faced by services providers, especially in ICT services sectors. Other more targeted tightening policies were identified in some sectors such as transport and telecommunications services.

Nonetheless, compared to 2022, the overall number of policy reforms identified in 2023 was fewer across all services sectors indicating a slowdown in regulatory activity. Moreover, changes in the index values show a slightly higher impact of trade liberalisation policies overall, suggesting moderate advancement on services reform policies (Figure 1).

Liberalisation policies in 2023 included policies that affect trade in many services such as the removal of remaining travel restrictions imposed during the COVID-19 pandemic. Other examples are more sector specific affecting for instance financial services (e.g. easing conditions for foreigners to buy shares in local banks in Brazil), professional services (e.g. facilitating market access to foreign lawyers in India), digitally enabled services (e.g. amending rules on data protection in Korea and enacting a new Digital Personal Data Protection Act in India) and the reduction of government involvement in key enterprises in some countries (e.g. Israel, Lithuania and the United Kingdom). In particular, physical infrastructure services (architecture, construction and engineering) benefitted from liberalising policy changes due to the relative importance of business travel for trade in these sectors, as well as the easing of conditions for the movement of architecture and engineering professionals in some countries (e.g. in Canada and China, among others).

Despite signs of moderate liberalisation in 2023, continued national and multilateral action is needed to address the steady build-up of restrictions observed in previous years. Annex A provides a chronological overview of services trade policy changes adopted in each country in the STRI sample between 2014 and 2023.

Figure 1. Changes in the STRIs per sector, 2022-23



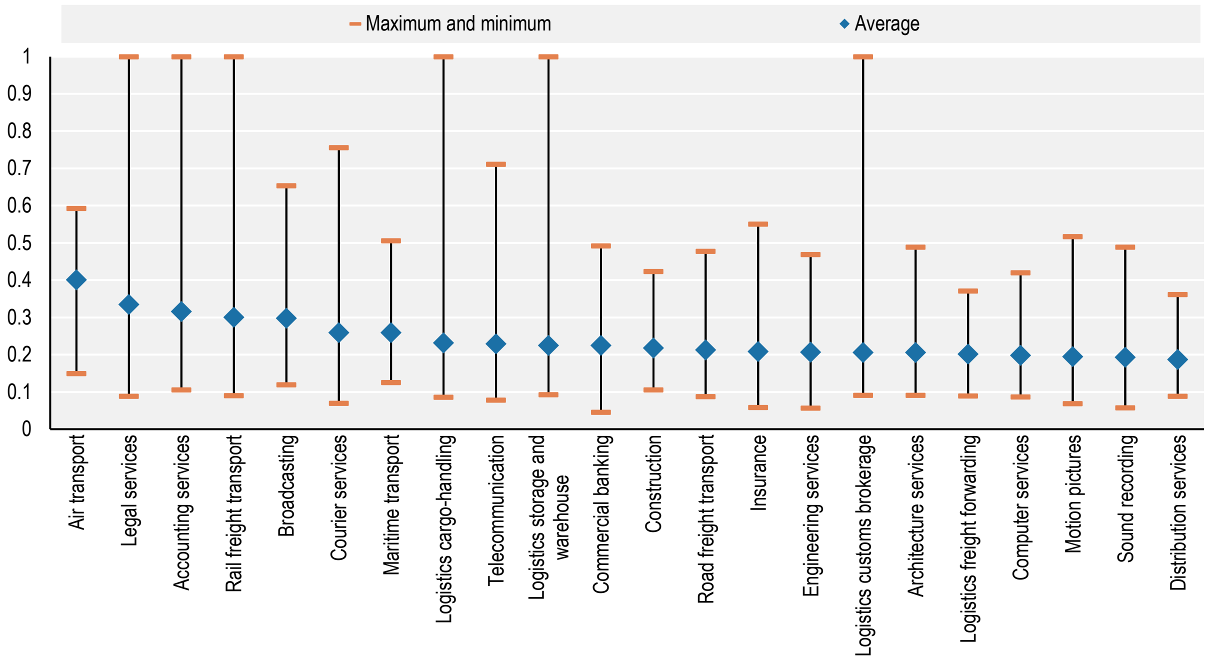
Note: Sum of all the positive (restrictions) and negatives changes (liberalisation) across all the measures over the period considered.
Source: OECD STRI database (http://oe.cd/stri-db).

Most and least restrictive service sectors in 2023

Distribution, sound recording, and motion picture services were the most open service sectors in 2023 (Figure 2).

Air transport, legal, and accounting and auditing services were the most restrictive sectors on average.

Figure 2. STRI average, minimum and maximum values by sector, 2023



Note: The STRI takes values between zero and one, one being the most restrictive. The STRI database records measures on a most favoured nation (MFN) basis towards third countries. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).
Source: OECD STRI database (http://oe.cd/stri-db).

Table 1 highlights the most relevant horizontal or cross-sectoral services trade restrictions identified across the STRI country sample, as well as relevant barriers in the three most restrictive sectors on average: air transport, legal services, and accounting and auditing services. Cross-sectoral barriers affect all services sectors, and include for instance limitations on the movement of contractual services suppliers, acquisition and use of land and real estate, screening requirements for foreign investment, limitations on access to public procurement markets, and local presence requirements.

Table 1. Top 5 most relevant cross-sectoral barriers and sector-specific restrictions in air transport, legal services, and accounting services

Sector	Measure	Policy area	Countries having a restriction
Cross-sectoral (horizontal)	Labour market tests and limitation on the duration of stay for contractual services suppliers	Restrictions to movement of people	35
	Acquisition and use of land and real estate by foreigners is restricted	Restrictions on foreign entry	34
	Screening exists without exclusion of economic interests	Restrictions on foreign entry	34
	Public procurement: Explicit preferences for local suppliers	Other discriminatory measures	21
	Local presence is required for cross-border supply	Restrictions on foreign entry	19
Air transport	Foreign equity restrictions: maximum foreign equity share allowed (%) (domestic traffic / international traffic)	Restrictions on foreign entry	42 / 41
	Screening exists without exclusion of economic interests	Restrictions on foreign entry	46
	Board of directors: at least one must be resident	Restrictions on foreign entry	45
	Air carriers are not allowed to commercially exchange slots	Barriers to competition	27
	National, state or provincial government control at least one major firm in the sector	Barriers to competition	19
Legal services	Memo: Licence or authorisation is required to practice (domestic law)	Restrictions to movement of people	46
	Foreign professionals are required to take a local examination	Restrictions to movement of people	41
	Manager must be a licensed professional	Restrictions on foreign entry	36
	Board of directors: majority must be licensed professionals (domestic law)	Restrictions on foreign entry	34
	Equity restrictions applying to not licensed individuals or firms (domestic law)	Restrictions on foreign entry	32
Accounting services	Memo: Licence or authorisation is required to practice (auditing)	Restrictions to movement of people	49
	Absence of a temporary licensing system (auditing)	Restrictions to movement of people	42
	Foreign professionals are required to take a local examination (auditing)	Restrictions to movement of people	41
	Board of directors: majority must be licensed professionals (auditing)	Restrictions on foreign entry	39
	Manager must be a licensed professional (auditing)	Restrictions on foreign entry	34

Note: The count for "memo" type of measures, which are not scored in the STRI, indicates the number of positive answers recorded for that measure across the 50 countries covered. The topmost relevant measures are selected on the basis of the following criteria: (1) most restricted cross-sectoral measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures, or (4) memos affecting the score of other measures through hierarchy rules.
Source: OECD STRI database (2023).

In air transport, common impediments include screening foreign investment in aviation and residency requirements for at least one of the airlines' board members. An important barrier in air transport relates to limitation on foreign equity. Over 40 countries in the sample restrict foreign equity participation in both domestic and international air transport services to less than 50%. In addition, forbidding the commercial exchange of take-off and landing slots as well as public ownership of airlines are identified as common policies.

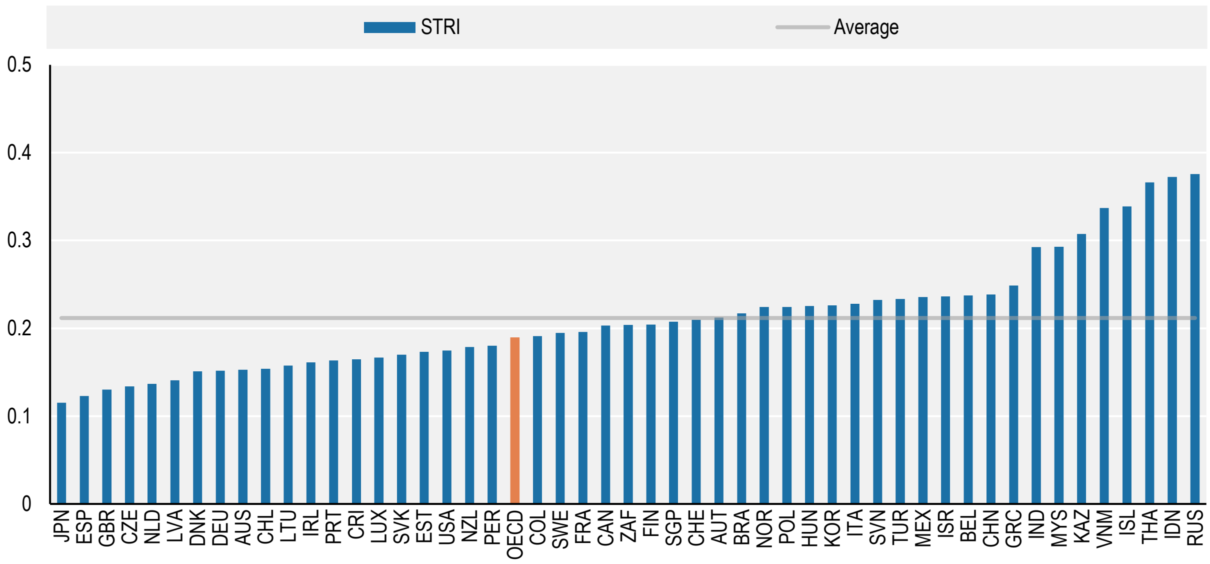
In legal and accounting services, licensing requirements for lawyers practicing domestic law and auditors are often coupled with rules that limit foreign practitioners' access to the profession, such as requirements to pass a local examination to obtain a license. Moreover, most countries restrict the ownership of law firms to locally qualified lawyers, particularly within domestic law. Directors and managers of law firms and audit firms are also often required to be locally qualified.

Overall STRI performance in 2023

The top ten economies with the best regulatory performance in the 2023 STRI were Japan, Spain, the United Kingdom, Czechia, the Netherlands, Latvia, Denmark, Germany, Australia, and Chile (Figure 3). Thirty of the 50 economies covered in the sample have a higher average STRI than the OECD average. Thailand, Indonesia, and the Russian Federation have the highest average STRI among the countries.

The 2023 STRI indices for all sectors are included in Annex B.

Figure 3. STRI average across countries, 2023



Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a most favoured nation (MFN) basis towards third countries. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Singapore, South Africa, Thailand, and Viet Nam.
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
Source: OECD STRI database (http://oe.cd/stri-db) and TiVA databases.

Leading reformers in 2023 and 2014-23

Economies with the highest STRI decrease in 2023 were China, Korea, and Portugal (Figure 4, Panel A). China resumed business visa applications after a long-term travel ban implemented as a response to the COVID-19 pandemic and introduced some reforms in the construction sector. In Korea, amendments to the Personal Information Protection Act eased the conditions for cross-border data transfers which affected all sectors covered in the STRI. In Portugal, a decrease in the time needed to process a Schengen visa facilitated business travel across services sectors. Other examples of key reforms implemented in 2023 are described in Box 1

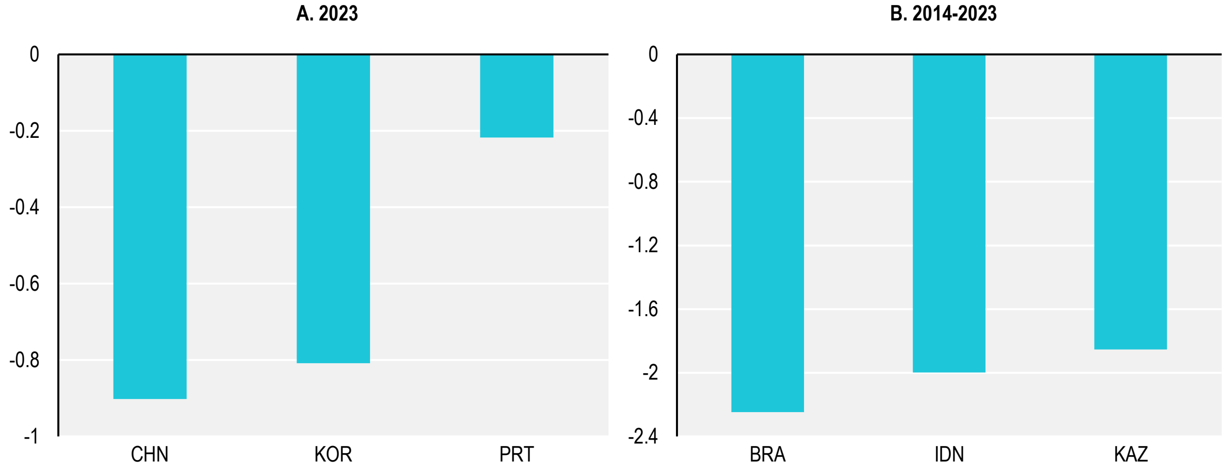
Over the period of 2014-23, Brazil, Indonesia, and Kazakhstan were the three countries with the most liberalising policy reforms (Figure 4, Panel B). Brazil has demonstrated progressive liberalisation in recent years, combining cross-cutting measures with more comprehensive liberalisation efforts in key service sectors. Important regulatory changes in Brazil's financial services sector in recent years have included a 2021 reform on the organisation of the Banking Supervisory Authority, and 2022 reforms liberalising the market with regards to the movement of foreign capital, foreign-owned firms' access to credit and loans, and conditions on the acquisition of capital by foreigners in Brazilian banks. Brazil continued services trade reforms in 2023, by introducing a *de minimis* regime for goods within postal or international air parcels valued below USD 50. Lastly, Brazil reverted a 2022 policy change in the insurance sector that imposed residency requirements for the statutory or contractual bodies of supervised entities and insurance brokers.

Indonesia has been implementing extensive reforms since 2014, with comprehensive and far-reaching reforms on foreign investment regulations in several services sectors in 2016 and 2021. Barriers to foreign investment in motion picture, sound recording, and some logistics sectors were lowered in 2016, followed by the lifting of foreign equity restrictions in architecture, construction, engineering, telecommunication, and distribution services in 2021 after the implementation of Presidential Regulation No. 10 of 2021 (updated through Presidential Decree 49/2021).

Kazakhstan has also progressively introduced several liberalisation measures, especially after joining the World Trade Organization (WTO) in 2015. Some of these liberalisation measures are cross-cutting and include lifting of quotas and labour market tests for the movement of services providers, as well as improving regulatory transparency.

Figure 4. Countries with significant reductions in the stringency of services regulations

Cumulative decrease in STRI results across all sectors in 2023 and since 2014



Source: OECD STRI database (http://oe.cd/stri-db).

Box 1. Other examples of key liberalising reforms undertaken by countries in 2022-23

Canada

Ontario eased foreign engineers' access to practice the profession by lifting the previously applicable requirement of 12 months of Canadian experience in order to obtain an engineering license.

China

In April 2023, China abolished certain restrictions on branches of foreign construction companies. In addition, a requirement for foreign construction engineers to reside in China for over three months per year was lifted. As of 15 March 2023, China resumed visa processing after a three-year-long restriction on travel.

Greece

The creation of a credit registry with equal access to all lending institutions was confirmed through an Act of the Governor of the Bank of Greece in June 2023, supporting competition in retail banking.

India

In August 2023, the Indian Parliament adopted a new Digital Personal Data Protection (DPDP) Act. The instrument is a first in covering personal data protection horizontally across sectors and is the outcome of an extensive legislative process.

Israel

In September 2022, the Ministerial Committee for Privatization Matters decided to privatise the Israel Postal Company Ltd., whose shares had been entirely owned by the government. The process of selling the government's shares progressed in 2023, with a deadline for receiving private investment bids by September 2023. At the same time, new guidelines were introduced for setting prices of postal services.

Korea

In 2023, amendments to the Personal Information Protection Act (PIPA) were enacted and generally came into effect in September 2023. The amended PIPA allows overseas transfers when the overseas recipient to whom the data is transferred has obtained a data protection certification by the Korean Personal Information Protection Commission (PIPC) and has taken the necessary data protection measures. Transfer to a country deemed by the PIPC to satisfy PIPA levels of data protection is also allowed.

Lithuania

In 2023, the government of Lithuania initiated and completed the liquidation of *UAB Lietuvos kinas*, a state-owned enterprise in the motion picture services sector.

Norway

New legislation introduced pre-arrival processing, a trade facilitating measure allowing the processing of shipment information ahead of its arrival at the border affecting distributors, courier and logistics services providers. Additionally, Norway lowered entry barriers for foreign auditing services suppliers by revoking the requirement to have a commercial presence in Norway to provide cross-border services, and by lifting the requirement for auditors and audit firms to underwrite professional liability insurance with a Norwegian insurance company.

Spain

Law 14/2023 increased the initial duration of stay for non-EEA contractual services suppliers and independent services suppliers from 24 to 36 months, aligning it with the duration that had already been applicable for intra-corporate transferees.

United Kingdom

In commercial banking, the United Kingdom’s government’s share in NatWest dropped below 50% in 2023, as a result of a trading plan which aimed to return the government owned NatWest shares back to private ownership.

Viet Nam

In motion picture services, Viet Nam lifted the minimum capital requirements for film production businesses by Decree 131/2022, in effect from 1 January 2023.

Benefits of services liberalisation

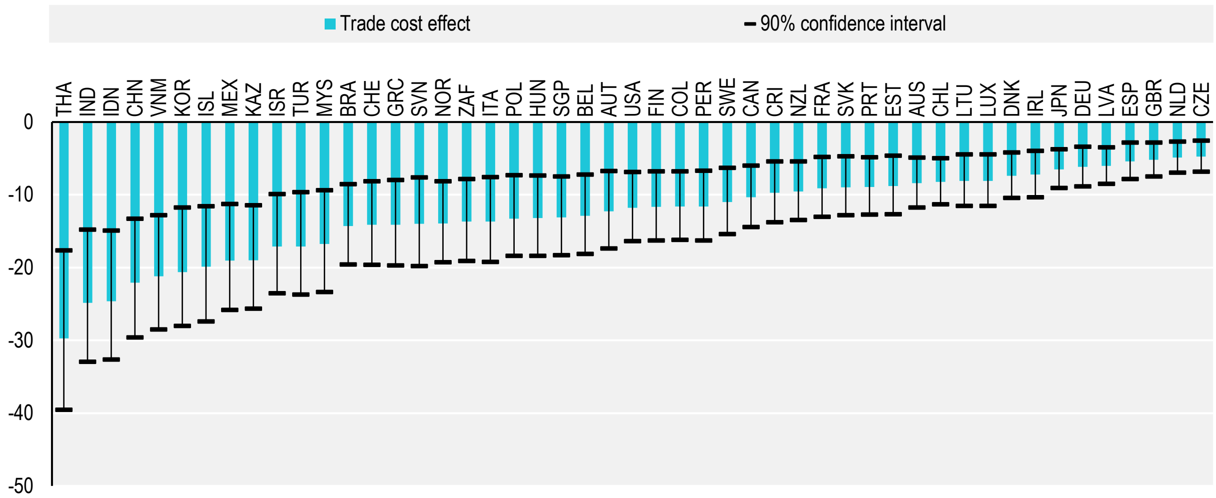
Research findings demonstrate that ambitious efforts to ease barriers to trade in services could yield substantial benefits by reducing trade costs for firms that provide services across borders and enhancing productivity in manufacturing.[1]

Figure 5 presents the trade costs implications of a hypothetical scenario where countries would reduce their STRI index by half compared to the best performer in each sector.

Trade cost reductions would accrue across all countries but would be highest in emerging-market economies. The average trade costs reductions for OECD countries are estimated at -13%, while for non-OECD economies the benefits would be in the range of a -22% reduction. The highest potential benefits would be for Thailand (-31%), India (-27%), and Indonesia (-27%).

Figure 5. Trade cost effects of services liberalisation by country

Trade cost implications of policy reforms in the STRI, 2023 (% of export values)



Note: The figure presents the trade cost implications of closing 50% of the gap to the best performing countries. The following sectors were not covered in the estimations due to lack of data: broadcasting, construction, distribution, motion pictures and sound recording services. The 90% confidence intervals are computed using the standard errors of the trade elasticity estimated from a gravity model.
Source: Calculations based on methodology in Benz and Jaax (2020[3]).

[1] Among others, see Rouzet, Benz and Spinelli (2017[7]); Benz (2017[8]); Benz and Jaax (2020[3]); and Benz et al. (2023[5]).

Service suppliers in sectors such as financial services and air transport would benefit most from lowering trade barriers. For instance, services trade costs for providers of commercial banking services could decline by 20% to 37% in the medium to long term (Table 2). Due to the pivotal role of logistics services in the development of global value chains, further liberalising reforms in the logistics sectors could lead to high trade cost reductions. Logistics services are not among the most restricted sectors but barriers that exist can substantially affect logistics companies' ability to provide services and thus present high costs. For instance, burdensome customs and border processes can present uncertainties on scheduled deliveries or restrictive policies on certain types of logistics activities (e.g. cargo handling, customs mediation, or storage) can affect the ability of suppliers to offer integrated logistics solutions. Even the lowest estimations of logistics customs brokerage services (between 4% and 10%) could represent substantial savings for businesses.

Table 2. Trade cost effects of services liberalisation by sector

Trade cost implications of policy reforms in the STRI, 2023 (% of export values)

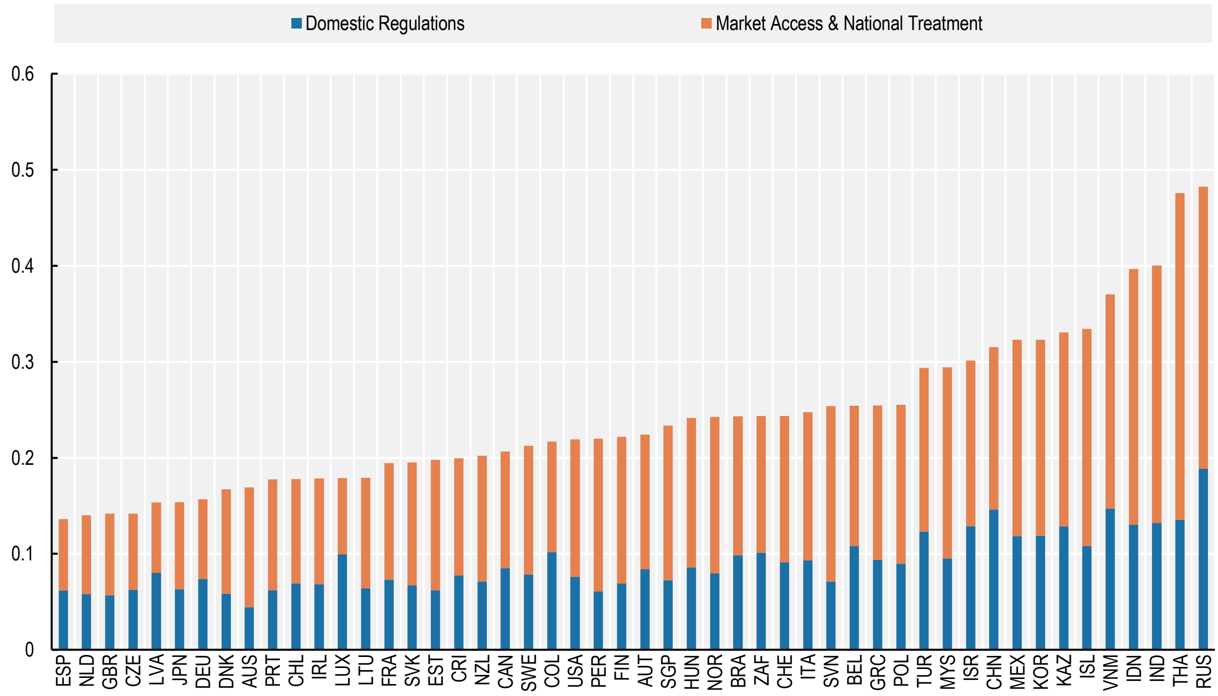
STRI sector	Lower estimate (%)	Higher estimate (%)
Commercial banking	20	37
Insurance services	11	19
Air transport	9	24
Courier services	7	15
Legal services	7	22
Telecommunications	6	12
Accounting services	6	20
Computer services	5	11
Engineering services	5	17
Logistics (cargo handling)	5	13
Maritime transport	5	13
Logistics (storage)	5	13
Road freight transport	4	12
Rail freight transport	4	12
Logistics (freight forwarding)	4	11
Architecture services	4	14
Logistics (customs brokerage)	4	10
Average	**6**	**16**

Note: This table presents the trade cost implications of closing 50% of the gap to the best performing countries. All estimates correspond to the median among all countries. The following sectors were not covered in the estimations due to lack of data: broadcasting, construction, distribution, motion pictures and sound recording services.
Source: Calculations based on methodology in Benz and Jaax (2020[3]).

Regulatory information in the STRI database can be broken down in different categories or clusters. This allows, among others, to better understand the extent of barriers that concern market access and national treatment and compare it to barriers occurring behind the border due to domestic regulations. The 2023 STRI shows that, on average, close to two-thirds of all barriers affect market access and national treatment highlighting that continued international efforts are needed to promote open services markets (Figure 6). At the same time, behind the border barriers are significant as well, highlighting the importance of advancing the implementation of the landmark Reference Paper on Services Domestic Regulations concluded at the WTO in 2021. Previous joint OECD-WTO research found that the ambitious implementation of the disciplines included could lead to substantial trade cost savings particularly in financial and business services (Box 2).

Figure 6. Barriers on services market access are high

Average STRIs across sectors per country, 2023



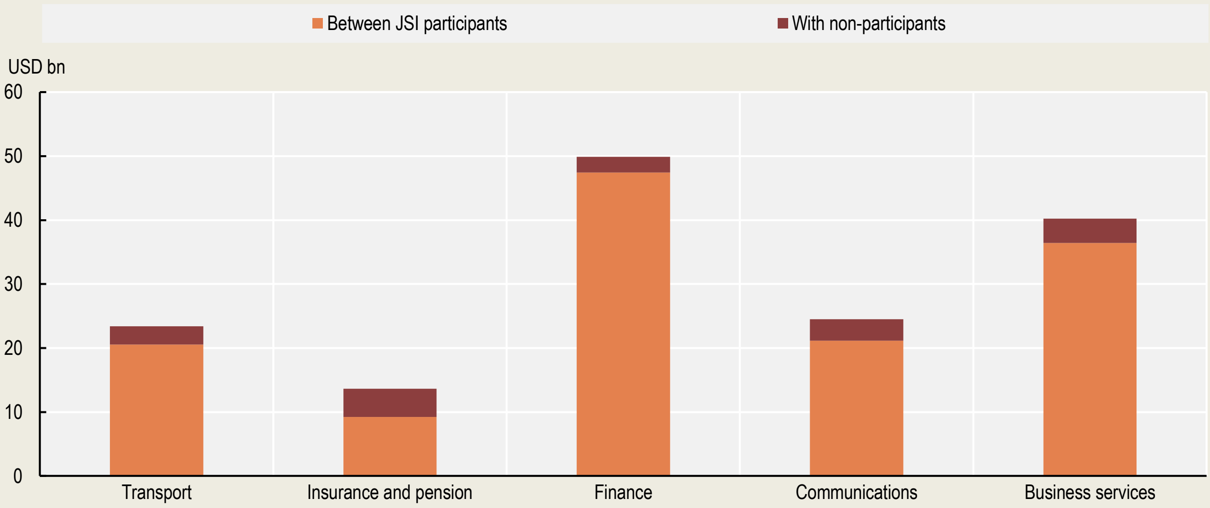
Note: Indices based on simple average across all sectors for 2023.
Source: OECD STRI database (http://oe.cd/stri-db).

Box 2. Implementing services domestic regulation disciplines can lead to trade cost savings

Almost all countries covered in the OECD STRI (45 out of 50) participate in the WTO Joint Initiative on Services Domestic Regulation, making the STRI a unique instrument to assess the current status of applied regulations related to most disciplines included in the Reference Paper on Services Domestic Regulations. The STRI collects information on issues such as transparency in the rule-making process, administrative and procedural hurdles related to registering companies, as well as licensing and authorisation requirements across different sectors. The STRI also covers procedural regulations related to licenses.

Joint OECD-WTO research has demonstrated that through the full implementation of the disciplines on services domestic regulations, economies can lower trade costs and reap substantial trade benefits; annual trade cost savings could be in the range of USD 150 billion, with a substantial one-third of these benefits in financial services and the rest in business services, communications, and transport services (Figure 7).

Figure 7. Annual trade cost savings in five broad services sectors

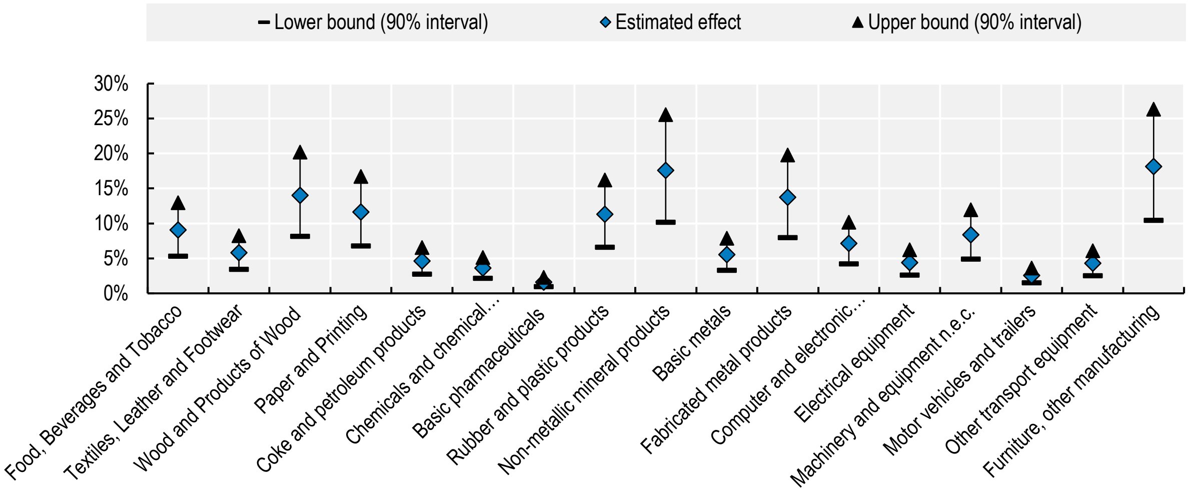


Note: Simple average of 48 participants to the Joint Initiative on Services Domestic Regulation (JSI participants) for which OECD STRI data are available. Values of some sectors are based on a smaller number of countries. Trade-weighted average of intra-EEA restrictiveness and MFN restrictiveness for EU members. Trade data from the OECD-WTO Balanced Trade in Services dataset (BaTIS).
Source: OECD calculations based on Benz and Jaax (2020[3]) and report in WTO (2021[4]).

The full benefits of liberalisation efforts materialise in the medium to long term, as production and investment decisions need to adjust to new regulations. New research suggests that an ambitious policy reform corresponding to a decrease in a country's STRI by 0.05 (equivalent of 5 percentage points) is associated with nearly a 10% increase in cross-border services trade in the short term, and the benefits of services reform can lead to a 20-50% increase in trade values in the medium to long term, depending on the sector (Benz et al., 2023[5]).

New analysis also demonstrates that lower trade barriers in upstream services sectors can have a positive effect on economic performance along the supply chain, in terms of increased productivity of domestic manufacturing sectors (Benz et al., 2023[5]). Figure 8 shows that an air transport services sector reform scenario reducing a country's STRI by 0.05 (the equivalent of an ambitious reform) is estimated to increase downstream manufacturing productivity by 8.4% across the 17 manufacturing industries on average. Reforms of similar magnitude in telecommunications and financial services are associated with 6.5% and 2.3% productivity increases, respectively. Brazil, for instance, has implemented liberalising policies in its commercial banking sector in 2021-22 (Annex A), resulting in a 0.08 reduction in its STRI for the sector.

Figure 8. Productivity gains in an air transport liberalisation scenario



Note: Estimated gains in manufacturing labour productivity in the case of a reform scenario concerning trade in air transport services. The liberalising reforms in the scenario are assumed to be equivalent to a 0.05 reduction in the STRI score for air transport services. The blue markers indicate the expected increase in labour productivity for each of the 17 manufacturing sectors. This graph also displays the lower bound as well as the upper bound of the 90% confidence interval.
Source: Benz et al. (2023[5]).

About the STRI

This update highlights the key outcomes of the 2023 OECD Services Trade Restrictiveness Index (STRI) and the latest trends affecting services trade and digital trade. It also indicates best practices and the countries that lead in services reforms. Since 2014, the OECD STRI has been a unique tool providing annual information on regulatory changes that affect trade in 50 countries and 22 key services sectors. The indicators take values between zero and one, with one indicating the most restrictive trade environment. The STRI is complemented by the OECD Digital STRI that measures barriers to trade in digitally enabled services, as well as the OECD intra-EEA STRI that covers barriers within the European Economic Area.

The STRI offers a comprehensive and transparent overview of global trends in services trade regulations, facilitating deeper analysis of the effects of such regulations on trade in services and the wider economy. This year, the STRI covers policy developments on services trade that were made public up until 31 October 2023. The update includes changes introduced through new or amended laws and regulations. As an evidence-based tool, the STRI allows policy makers to benchmark their policies relative to global best practice, and to consider the likely impact of reform options. The STRI also helps trade negotiators identify restrictions that impede trade and is a source of regulatory transparency for businesses seeking to enter foreign markets.

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Annex A. Policy changes across countries

This annex presents the main policy changes identified in the annual STRI update for the countries covered. Detailed country information and summary notes can be found on the STRI website and online database.[1]

Australia

In the context of the COVID-19 pandemic, business travel was suspended for an extended period but re-opened progressively at the end of 2021 and early 2022.

In 2021, the Design and Building Practitioners Regulation 2021, under the Design and Building Practitioners Act 2020, entered into force. This regulation regulates the registration of design and building practitioners, and professional engineers in the construction sector, and establishes a process to recognise qualifications conferred by foreign universities. In 2021, the number of documents required for business visa applications was also revised and reduced.

In 2020, Australia improved conditions for the recognition of professional qualifications gained abroad as actuaries.

With the introduction of the Temporary Skill Shortage visa (subclass 482) in March 2018, foreign services providers are allowed to stay in the country for up to four years, compared to three years with the old 457 visa.

In June 2016, New South Wales introduced a 4% surcharge for foreign persons (including foreign corporations) in addition to the duty payable on the purchase of residential property. Furthermore, foreigners are subject to a land tax surcharge of 0.75% in 2017 for residential property.

Austria

In telecommunications, a local presence requirement for the cross-border supply of services was introduced in 2021. Regarding legal services, the maximum foreign equity share allowed was reduced to 25% for domestic as well as international law in 2020. Moreover, the new Austrian Investment Control Act, which entered into force in July 2020, expanded the scope of the screening of foreign investments. Screening exists without exclusion of economic interests in 14 services sectors.

A new permit for intra-corporate transferees was introduced in October 2017. The period of validity has been extended from one to three years for managers and specialists. In addition, parts of the fixed line telephony market were deregulated in May 2017 following market analyses by the regulator.

Changes resulting from EU law are described under the European Union heading in this Annex.

[1] Available at http://oe.cd/stri.

Belgium

In 2023, a new foreign investment screening mechanism took effect in line with Regulation (EU) 2019/452. Under the new mechanism, certain investments by non-EU investors are subject to mandatory notification and approval. Screening applies to direct and indirect acquisitions of 10% or 25% of voting rights in Belgian companies operating in various sectors of the economy.

One of the main rail freight operators in Belgium, B Logistics, was partially privatised in 2015, with the state-owned Belgian national railway company, SNCB, now owning only 31% of its equity shares.

Changes resulting from EU law are described under the European Union heading in this Annex.

Brazil

In 2023, Brazil introduced a de minimis regime. Goods included in postal or international air parcels of value below USD 50 can benefit from a zero per cent tax if they are intended for natural persons and the sender company meets the requirements of the compliance programme *Programa Remessa Conforme*. This programme aims to facilitate e-commerce transactions and companies can voluntarily adhere to it. Also in 2023, a new resolution from the Agency of Civil Aviation suppressed the requirement to respect historic slots in the allocation of slots for new entrants; however, it kept the priority to the continuation of slots from the previous season. Brazil also reversed a policy change introduced in 2022 that required 65% of the statutory or contractual bodies of supervised entities in the insurance sector, as well as insurance brokers to be resident in the country.

In 2022, a new law on the foreign exchange market (*Lei No. 14.286, de 29 de dezembro de 20*21) entered into force, recognising equal treatment of foreign and national capital. It suppressed the previous limitation for the National Treasury and other official public credit entities to guarantee or provide loans, credits or financing to companies obtaining credit abroad whose majority of the capital with voting rights belongs to non-residents. The foreign exchange market law also eliminates restrictions on the possibility of banks headquartered in countries where Brazilian banks cannot fully operate to acquire more than 30% of voting rights within Brazilian banks.

Law 14195/2021 introduced important reforms, including the elimination of residency requirements for managers in most sectors (except legal and accounting services). Managers are no longer required to reside in the country, but need to appoint a representative in the country for legal purposes. In the same year, Brazil introduced an important reform on the organisation of the *Banco Central do Brasil* (Brazil Banking Supervisory Authority) and eliminated the residency requirement for members of the board of directors or managers of the Brazilian Post and Telegraph Corporation (*Empresa Brasileira de Correios e Telégrafos*).

The rule establishing screen quotas in movie theatres expired in 2021, ending an important restriction in the motion pictures sector.

In February 2021 a new law reformed the governance structure of the *Banco Central do Brasil*. This reform included recognising the *Banco do Brasil's* independency and financial autonomy, as well as its full authority to license and enforce prudential measures. The reform also includes a term limitation of its governing body.

In 2020, Brazil eased the licensing conditions for foreign banks and insurance providers, levelling the playing field compared to domestic financial services providers.

A new General Data Protection Law (*Lei Geral de Proteção de Dados Pessoais*) entered into force in September 2020. This law provides the possibility to transfer personal data abroad if certain private sector safeguards are in place.

In distribution services, policy changes in 2019 removed upper limits on shop opening hours.

In 2018, Brazil implemented significant reforms on foreign investment in local airlines through Presidential Measure (PM) No. 863/2018. Congress converted the PM into Federal Law No. 13,842/2019 on 17 June 2019, embedding the reforms into the Brazilian Aeronautics Code (Federal Law No. 7,565/1986). Key reforms included the removal of a 20% cap on foreign participation in Brazilian airlines, allowing foreigners full ownership of the share capital. Limitations were also lifted on foreign control and management of Brazilian airlines, together with restrictions on the issuance and transfer of shares to foreigners.

The Federal Supreme Court ruled in 2015 to exempt the designated postal operator from VAT and other local taxes for both its postal and courier services. In the same year, the temporary licensing for accountants and auditors was removed.

Canada

Previously, rules regulating access to the engineering profession stipulated that at least 12 months of the required 48-month professional experience must have been acquired in a Canadian jurisdiction. Effective 1 November 2023, this requirement has been lifted by amendments to the Professional Engineers Act R.R.O. 1990, Regulation 941: General, thereby easing the conditions for foreign engineering professionals. In addition, the average processing time of a business visa application decreased from 192 to 56 days in 2023.

On 2 August 2022, the Regulations Amending the National Security Review of Investments Regulations came into force. These Regulations provide an option for non-Canadian investors to obtain pre-implementation regulatory certainty with respect to a national security review of investment that do not require a filing under the Investment Canada Act.

The telecommunications sector saw a series of changes in 2021, including allowing mobile carriers to access existing carriers' networks and to implement seamless roaming as part of their wholesale roaming service.

In April 2021, the Canadian Radio-television and Telecommunications Commission issued a series of reforms in the telecommunications regulations following a review of mobile wireless services. In particular, the policy CRTC 2021-130 allowed regional mobile carriers to access the networks of the four existing carriers in Canada. Rates between regional mobile carriers and existing carriers are commercially negotiated between the parties and the service is mandated for seven years.

Since 2019, contracts for universal services obligations in the telecommunications sector are assigned on a competitive basis, which reduces barriers to competition. Regarding distribution services, since 2019 the pre-packaging of products is no longer subject to mandatory nominal quantities in distribution services.

As of May 2018, Bill C-49, an amendment to the Canada Transportation Act, eased foreign ownership restrictions by lifting the foreign equity limit in the air transport sector from 25 to 49%. However, the voting share limits in Canadian airlines for individual foreign investors and foreign air carriers collectively remain at 25%.

Chile

In 2023, Chile raised the value for its *de minimis* regime, now exempting from import duties and internal tax imported goods not exceeding USD 41.

In 2022, Chile adopted UNECE's Model Regulations on the Transport of Dangerous Goods for the road freight sector. During the same year, a new Law of Migration and Foreigners (*Ley Nº 21.325 de Migración y Extranjería*) entered into force, aiming to restructure the types of permits for foreigners and to stipulate the related procedures and conditions. The new law brings several changes, including in the institutional framework and application process. It also extends the general validity of permits from 12 to 24 months for contractual and independent services suppliers. The duration of visas for crews in the air, maritime and road freight transport sectors also increased from 1 to 3 months. In May 2022, Supreme Decree No. 177 was published; it created 16 different types of permits for temporary residence in Chile, including permits relevant to foreign services providers.

In 2017, Chile revised its customs regulation, introducing *inter alia* an Authorised Economic Operators Scheme open to foreign firms and authorising the release of goods before the determination and payment of duties.

China, People’s Republic of

In response to the COVID-19 pandemic, China restricted the entry of foreigners as of March 2020. As of 15 March 2023, China resumed visa applications for travel. In April 2023, China abolished certain restrictions on branches of foreign construction companies.

On 7 July 2022, China released new Measures for Security Assessment for Outbound Data Transfer that came into force on 1 September 2022. These measures provide greater clarity on the security assessment of important data and personal information collected and generated during operations within China and transferred abroad by a data handler.

The Special Administrative Measures for Access of Foreign Investment (Negative List) (2021 edition) entered into force in January 2022.

On 10 June 2021, China adopted a new Data Security Law which covers new rules related to data activities by businesses operating in the country. China’s new Foreign Investment Law came into effect on 1 January 2020, consolidating and replacing several previous laws governing foreign investments. Moreover, it removed the requirement for foreign investments in services sectors listed on the Negative List to demonstrate "remarkable economic benefits" to China’s national economy. However, China introduced in January 2021 tighter rules for reviewing foreign investment on grounds of national security.

The Measures on Security Review of Foreign Investment came into force on 18 January 2021, introducing tighter rules for foreign investment reviews on national security grounds. On 10 June 2021, China adopted a new Data Security Law with new rules related to data activities by businesses operating in the country.

The 2020 edition of the Special Administrative Measures for the Access of Foreign Investment (Negative List) issued by the Ministry of Commerce and the National Development and Reform Commission introduced liberalisation measures of foreign ownership and the legal form of non-resident companies in life insurance services, and eased the conditions for registered capital by foreign firms to operate in all economic sectors of the country.

The Negative list was first introduced and came into effect on 28 July 2018, replacing sections of the 2017 Catalogue of Industries for Guiding Foreign Investment. Compared to the 2017, the 2018 list relaxed or removed restrictions on foreign investment in several areas, including legal, insurance, maritime transport, and logistics cargo-handling services. However, services sectors included in the Negative List remain subject to government approval and sector-specific requirements.

The 2019 update of the Negative List introduced liberalisation in services sectors, such as transportation or value-added telecommunications. The limitation of 49% equity for foreign participation in domestic maritime transport was lifted, together with previous requirements related to joint ventures in this sector.

On 15 March 2019, China’s National People’s Congress (NPC) passed the Foreign Investment Law of the People’s Republic of China, which entered into force on 1 January 2020. This new law replaces three previous laws that regulated foreign investment enterprises, i.e. the Law on Sino-Foreign Equity Joint

Ventures, the Law on Wholly Foreign-Owned Enterprises, and the Law on Sino-Foreign Cooperative Joint Ventures.

A Cybersecurity Law entered into effect in 2017, introducing new restrictions that affect transfers of data abroad. This law remains the main framework that regulates cross-border transfers of data.

In September 2016, the general requirement for prior approval of foreign investment was replaced with an online notification requirement. In the same year, the Telecom Business Classification Catalogue introduced the mandatory resale of mobile communication services, while in professional services the applicable standards on fee setting were eased. Nationality requirements for directors of accounting and auditing firms were lifted, but residency requirements were maintained.

Colombia

In 2022, Colombia reformed its visa system and established labour market tests for foreign contractual and independent services suppliers to be granted a *Visa V Prestador de Servicios, Obra o labor*. A letter of motivation from the hiring party indicating the reasons why a Colombian citizen was not hired for the activity became a requirement. In that same year, the time to process a business visa application increased from 5 to 30 days, and the number of documents needed to obtain the visa increased from five to six; the additional requirement related to any criminal record of the applicant issued by the country of residence.

In 2021, Colombia narrowed its *de minimis* regime for internal tax on goods imported via postal services, urgent shipments, or fast delivery with a value that did not exceed USD 200. Previously, the regime applied to all countries, but a reform restricted it to goods arriving from countries with which Colombia has a Free Trade Agreement in force.

Decree 1165 of 2019 introduced several reforms in Colombia's customs regime and, in particular, clarified the registration or authorisation regime applicable to logistics service providers, including customs brokers (authorisation regime), freight forwarding (registration regime), and warehousing activities (*habilitacion* regime).

A new transparency requirement was introduced in 2017 to promote public participation. In that same year, Colombia passed an immigration reform to streamline the immigration process. This reform prolonged the duration of stay of only certain visa categories, such as intra-corporate transferees, who according to the new "V" type visa are allowed to stay for up to two years (down from three years). In 2016, Decree 390 imposed a minimum warehouse surface for postal operators and introduced an obligation for courier services operators to be available 24/7.

In 2015, the Financial Superintendence gained financial autonomy.

Costa Rica

In 2023, Costa Rica suppressed maximum fees for certain professional services, including auditing, legal and engineering services. Some of these reforms have, however, been contested in court and their application is currently suspended; the exception is auditing services.

In 2022, Costa Rica introduced liberalising reforms for trade and investment in several sectors, in particular for the logistics and telecommunications services sectors. Regarding logistics services, customs brokers and freight forwarding providers are no longer required to have a local office or designate a local representative to provide services in the country and a *de minimis* regime for import duties with value equal or inferior to USD 100 has been established. In telecommunications services, the new public procurement law abolished previous exceptions that allowed the Costa Rican Institute of Electricity (ICE) – a major telecommunications services provider – to exclude certain agreements with foreign companies from ordinary procurement processes.

The 2021 public procurement law continues to include preferences for local SMEs. This law also applies to courier services that were excluded from the previous general public procurement law.

Between 2019 and 2021, Costa Rica adopted a series of reforms lifting the restriction on foreign branches of commercial banks. As of 2020, restrictions on advertising no longer apply to architecture and engineering services. In 2017, Costa Rica ratified the United Nations Convention on Contracts for the International Sale of Goods, aligning national contract rules for cross-border transaction to internationally standardised rules. Since 2016, foreign accounting professionals who have a local or recognised degree are no longer required to take a local examination. In 2015, the *Ley de Garantias mobiliarias* introduced a securities system to facilitate the creation, publicity and execution of warranties; this has contributed to further liberalising the banking sector.

Czechia

In February 2021, a new Act on the Examination of Foreign Investments entered into force, creating new screening mechanisms of foreign direct investment based on national security considerations. These new screening provisions apply to sectors such computer services, telecommunication, broadcasting, road freight transport, and rail freight transport services.

In April 2017, the Regulatory Body for Access to Transport Infrastructure (*Úřad pro přístup k dopravní infrastruktuře*) was established as an independent regulator to oversee access to the rail infrastructure for rail transport operators.

Changes resulting from EU law are described under the European Union heading in this Annex.

Denmark

Following an amendment to the Companies Act in July 2022, foreign, non-EU/EEA, companies with certain corporate forms are no longer restricted in establishing branches in Denmark (previously allowed only on the basis of an existing international agreement or reciprocity).

As of 1 July 2021, Denmark introduced a mandatory investment screening process for non-EU investments with shares of at least 10% in sensitive sectors of national security or public order. These include investments related to certain IT sectors, critical technology, and critical infrastructure. Screening is carried out by the Danish Business Authority. The new law applies to investments made after 1 September 2021.

Changes resulting from EU law are described under the European Union heading in this Annex.

Estonia

As of 1 September 2023, certain non-EU foreign investment projects require authorisation under Estonia's new Foreign Investment Reliability Assessment Act. Among the target undertakings covered by this screening mechanism are providers of vital services (including digital identification and digital signing, phone services, mobile phone services, and data transmission services, payment services), operator of an Estonian maritime port belonging to the trans-European transport network, railway infrastructure manager who operates a public railway, providers of national television or radio services, and providers of on-demand audiovisual media services.

The minimum capital requirement for private limited companies, with the exception of auditing firms, was lifted effective 1 February 2023. However, public limited companies continue to be subject to a minimum capital requirement of EUR 25 000, as required by Directive (EU) 2017/1132.

As of 18 June 2022, cross-subsidisation regarding cargo-handling services at airports was prohibited.

A commercial presence requirement for cross-border supply of services in a wide range of sectors was abolished as of 31 December 2021.

In 2017, the duration of stay for intra-corporate transferees was extended from 24 to 36 months, while in 2018 the duration of stays for independent services suppliers was extended from 24 to 60 months.

Changes resulting from EU law are described under the European Union heading in this Annex.

European Union

From 29 August 2022, Regulation (EU) 2022/1031, the European Union's new International Procurement Instrument (IPI), enables the European Commission to undertake investigations into alleged third-country measures or practices that impede access of EU economic operators, goods and services to the third-country public procurement market; enter into consultations with the third countries concerned; and, if the Commission determines the existence of a restrictive measure or practice which has not been removed despite consultations, adopt a so-called IPI measure in the form of an implementing act to restrict access to EU public procurement markets by economic operators, good or services from the third country applying the restrictive measure or practice. The IPI measure shall only apply to public procurement procedures with an estimated value equal to or above EUR 15 000 000 net of VAT for works and concessions, and equal to or above EUR 5 000 000 net of VAT for goods and services. Exemptions for goods and services originating in least developed countries also apply. At this stage, no IPI measure has been adopted by the European Union.

With effect from 1 July 2021, the European Union abolished the VAT *de minimis* regime for goods valued under EUR 22 (Directive (EU) 2017/2455).

In telecommunications, maximum EU-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 became applicable on 1 July 2021. These maximum termination rates generally do not apply to calls originating from countries outside of the European Union.

In air transport, a series of temporary rules allowing airlines to retain historic slots, even if not using these slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 in view of reduced air traffic due to the COVID-19 pandemic. As of 26 March 2023, these slot relief rules were no longer in force.

In maritime transport, Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

Revisions in the EU Customs Code in 2020 include an increase in the cost of business visitor visas from EUR 60 to EUR 80.

On 19 March 2019, the European Union adopted Regulation (EU) 2019/452 that allows EU Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. It applies from 11 October 2020.

In March 2019, Regulation (EU) 2017/352 establishing a framework for the provision of port services and common rules on the financial transparency of ports entered into force, harmonising rules related to the provision of port services.

The new EU General Data Protection Regulation (Regulation (EU) 2016/679) entered into force on 25 May 2018; it provides a comprehensive update on the EU data protection regime.

Regulation (EU) 952/2013 revised the conditions, including on economic needs, that apply to authorisations for the operation of storage facilities for the customs warehousing of goods. These changes entered into force in 2016.

In 2016, Directive (EU) 2016/943 harmonised the protection of undisclosed know-how and business information.

Finland

Rules regulating consumer credit were tightened from 1 October 2023. The contractual interest rate of consumer credit cannot exceed 15% (previously 20%). Additionally, a temporary measure in response to the COVID-19 pandemic prohibited direct marketing of consumer credit and credit intermediation services. This measure, in force as of July 2020, expired in October 2021.

The new Economic Activities Act, in effect from 1 June 2023, specifies the conditions whereby the Finnish Patent and Registration Office must grant approval to a Finnish branch of a foreign company. However, branches of non-EEA firms continue to be subject to approval, and, as under the previous act, Finnish branches of such foreign firms must appoint a representative who resides in Finland.

An amendment to the Law on the Information Society entered into force on 1 January 2021; it requires that providers of on-demand audiovisual media services have at least a 30% share of European works in their catalogue and ensure prominence of those works in accordance with Directive 2010/13/EU.

Since July 2021, double registration of a foreign vessel under the Finnish flag is allowed in those cases where the foreign vessel which is registered in the ship register of another state in terms of ownership is chartered to Finland under a bareboat charter agreement (bareboat-in cases). The charterer has to be a Finnish or EEA citizen or corporation.

In 2020, Finland introduced new conditions for non-EU/EEA individuals and entities seeking to buy real estate in the country.

In the distribution sector, shop-opening hours were deregulated and labelling standards were reformed in 2016. Destia, a major state-owned construction enterprise, was privatised in 2014.

Changes resulting from EU law are described under the European Union heading in this Annex.

France

Since 2023, a new regulation imposes the application of French law on retailing contracts that involve products destined for French retailers’ shelves.

In 2019, the public procurement regulation was modified to extend non-discriminatory treatment in the public procurement process to all foreign entities.

SNCM, a major firm in the maritime sector, ceased its activities in January 2016. Since 2015, foreign transport companies seeking to provide cross-border transport services to France must submit a notification to the labour inspectorate indicating where the service will be provided (*Déclaration préalable de détachement transnational*).

Credit registry with equal access to all lending institutions was revoked in 2015.

Changes resulting from EU law are described under the European Union heading in this Annex.

Germany

In 2021, Germany introduced the One-Stop-Shop (OSS) which allowed for online registration and declaration of VAT for a wide range of activities

Changes resulting from EU law are described under the European Union heading in this Annex.

Greece

In commercial banking services, the creation of a credit registry with equal access to all lending institutions was confirmed through an Act of the Governor of the Bank of Greece in June 2023.

In September 2019, capital control measures limiting the free outflow of money and foreign exchange transactions were lifted. In 2018, the limitation on the duration of stay for independent services suppliers was extended from 24 to 36 months.

Changes resulting from EU law are described under the European Union heading in this Annex.

Hungary

In the context of the COVID-19 pandemic, Hungary introduced a temporary foreign investment screening mechanism to protect public security, and public order and health. This applies to certain sectors included in Government Decree 289/2020. The applicability of the temporary screening mechanism was extended subsequently.

On 1 January 2019, the new *Law on the Control of the Foreign Investments Offending the National Security of Hungary* entered into force. This law establishes a verification procedure of investors' conformity with national security interests (pre-screening procedure) for specific activities. As of 2016, intra-corporate transferees from third countries can stay in Hungary for up to 12 months on their initial permit. Since 2015, Hungary has applied quotas on work permits for natural persons who do not have an EU nationality and who are travelling on a temporary basis to Hungary.

Changes resulting from EU law are described under the European Union heading in this Annex.

Iceland

In June 2021, a new Foreign Exchange Act came into force, removing the last of the capital account restrictions imposed since November 2008. Foreign exchange transactions, cross-border payments, and capital movements are now unrestricted.

In January 2020, the state's monopoly on letters weighing less than 50 grammes was abolished. In the same year, the Financial Supervisory Authority became part of the Central Bank of Iceland. The length of term for heads of the Authority was extended to five years, compared to four years before.

Iceland reformed its copyright enforcement regime, abolishing a statutory monopoly in copyright management in sound recording and aligning its regulation of copyright management and subsidies in the film industry with EU Directives. Deregulation of mobile telecommunications services took effect in 2017 and in 2018 for fixed line telecommunications. However, the restrictions on movement of people introduced in 2017 limit access for contractual services suppliers to education and R&D activities. These measures include conditioning work permits for intra-corporate transferees and independent services suppliers to the purchase of local health insurance.

India

In 2023, India adopted a new Digital Personal Data Protection Act. As under previous rules, the cross-border transfer of personal data is only possible to countries that ensure the same level of data protection as the data sender in India. Under the new Act, the central government may restrict the transfer of personal data to a country or territory outside India through a notification.

The Bar Council of India Rules for Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, also adopted in 2023, allow foreign lawyers and foreign law firms to apply for registration to practice law in India in non-litigious matters, subject to a reciprocity condition. The Rules also codify the temporary licensing regime for foreign lawyers, previously based on jurisprudence. A foreign lawyer or foreign law firm may practice on a "fly in and fly out basis" for the purpose of giving legal advice to a client in India regarding foreign law as well as on diverse international legal issues, subject to conditions.

Government-owned airlines Air India and Air India Express were privatised in January 2022.

In 2020, India eliminated pricing guidelines for transfers of shares between residents and non-residents, lowering barriers to services trade horizontally in all sectors. The year 2020 also saw the introduction of regulation on non-discriminatory interconnection rates in the telecommunications sector. Self-handling for air cargo operators was allowed in 2019. In 2018, several cabotage restrictions were lifted in maritime transport.

Since 2018, all payment system operators in India are required to ensure that data related to payment systems operated by them are stored only in the country.

In 2017, India tightened its services regime by introducing an equalization levy of 6% on purchases of online advertising services from non-resident companies. Minimum capital requirements for establishing a company were eliminated in most sectors in 2016.

In 2015, India lifted foreign equity limits from 26% to 49% in the insurance sector and foreign branches were permitted in reinsurance. Further investment liberalisation took place in 2016 when foreign equity limits were removed for airport services and cable and satellite broadcasting, and foreign equity limits were eased in civil aviation.

Indonesia

In 2023, Regulation No. 31/2023 of the Ministry of Trade introduced new restrictions, including the prohibition for social media platforms to carry out e-commerce transactions and the obligation for foreign e-commerce platforms to apply a minimum price of USD 100 to their sales. The same regulation mandates that foreign e-commerce platforms set up a local presence in Indonesia to engage in cross-border services trade whenever a number of conditions are realised, including if the platform is visited by at least 1% of domestic internet users within a one-year period.

Presidential Regulation No. 10 of 2021 took effect in March 2021; it sets out important new regulations on foreign investment, replacing Presidential Regulation No. 44 of 2016 that introduced a negative list for investment regulation. Among others, the new regulation lifts the maximum foreign equity shared allowed for construction services and reduces the number of sectors that are closed to foreign investment. However, in some cases such as air transport services, the new regulation has introduced more stringent conditions, such as lowering the foreign equity limit to 49% after it had been raised to 67% in the 2016 regulation. The new positive investment list introduced by Presidential Regulation No. 10 of 2021 was updated by Presidential Decree 49/2021.

The new investment regulation was one of the implementing measures introduced as a result of the 2020 Law No. 11 Omnibus Law on Job Creation, which aimed to improve conditions for foreign investment.

As of 2018, the foreign equity limit in accounting firms was lowered to 20%, from 49% previously. However, the law requires that one half of all partners to be licensed accountants. In addition, technical specifications related to the use of local products and national standards affect the conditions of competition in favour of local providers in public procurement in the construction sector.

In 2017, favourable conditions for the release of imported goods before determination and payment of duties benefitted distribution, courier and logistic services. In the same year, Indonesia revoked minimum capital requirements for maritime transport service. However, the Construction Act of 2017 imposed nationality requirements on the management of construction and architecture companies.

Indonesia has fully or partially opened several sectors to foreign investment under the 2016 Negative Investment List. These include airfreight transport, logistics services, telecommunications, audio-visual services, and architecture and engineering services. Minimum capital requirements were removed in 2016.

Ireland

In 2023, the general processing time for a business visa increased from 10 to 15 days, affecting the movement of business travellers across services sectors.

In commercial banking, the Consumer Credit (Amendment) Act 2022 introduced caps on interest rates for high cost credit agreements.

In 2020, Ireland shortened the procedure time for issuing visas, which improved the regulatory transparency for business in all sectors.

In 2016, Ireland introduced a timeframe of six months within which the Central Bank of Ireland, the sector regulator, must decide on applications for authorisations to provide insurance services.

Changes resulting from EU law are described under the European Union heading in this Annex.

Israel

In September 2022, the Ministerial Committee for Privatization Matters decided to privatise the Israel Postal Company Ltd., whose shares had been entirely owned by the government. The process of selling the government's shares progressed in 2023, with a deadline for receiving private investment bids by September 2023. New guidelines were introduced for setting prices of postal services.

In 2019, Israel established an advisory committee to assess the national security implications of foreign investment in certain sectors, such as the finance, communications, infrastructure, transportation, and energy sectors.

In 2018, conditions affecting foreign ownership of terrestrial broadcasting companies were eased by raising foreign equity limits to 74% from 49%. A temporary licencing procedure for foreign architects and engineers was also put in place. The residency requirement for two-thirds of board members of commercial banks was lifted in 2017. In 2016, the Capital Market, Insurance and Savings Authority, the sector regulator for insurance services, became independent of the Ministry of Finance.

Italy

In March 2022, Italy amended its foreign investment review mechanism through Law-Decree No. 21/2022 which introduced measures in response to Russia's war of aggression against Ukraine. This measure was initially foreseen as temporary, but was made permanent in May 2022 through Law No. 51/2022. The changes broaden the scope of review of foreign acquisitions of companies in strategic sectors, such as telecommunications, energy, transport, or finance, as well as the review of greenfield investments in companies holding assets in strategic sectors. Moreover, the definition of non-EU individuals and entities has been revised and broadened.

On 1 August 2022, the President of the Council of Ministers adopted Decree No. 133, which seeks to speed up the foreign direct investment (FDI) screening procedures and introduce a pre-filing procedure for FDI transactions in strategic sectors.

Through Law-Decree 17 March 2020 No. 18 (Article 79), the Italian Government authorised the incorporation of a new state-owned company, *Italia Trasporto Aereo*, to save Alitalia from bankruptcy, with an initial capital of EUR 20 million. ITA Airways commenced operation in October 2021. It is entirely owned by the Ministry of Economy and Finance. However, a concentration operation which provides for the entry of a foreign private company into the capital of ITA Airways was formally notified to the European Commission in November 2023.

Since December 2020 and within the framework of Regulation (EU) 2019/452, Italy has regulated the possibility for foreign investments in sectors such as construction, engineering, and audiovisual services to be subject to screening mechanisms in view of their strategic importance and national security considerations.

In 2017, Italy adopted a modification to the Consolidated Law on Banking, introducing restrictions on branches of non-EU foreign banks. Moreover, since September of the same year, the Ministry of Economics and Finance acquired control of a major firm in the sector. In 2019, Italy enacted requirements for the commercial presence of non-EU foreign banks within the framework of the EU Directive 2013/36/EU.

In 2017, Italy implemented Directive 2014/66/EU concerning intra-corporate transferees from non-EU countries. The maximum stay for intra-corporate transferees was reduced from five to three years.

Other changes resulting from EU law are described under the European Union heading in this Annex.

Japan

In April 2020, as part of the response measures to the COVID-19 pandemic, Japan suspended the validity of existing business visas and halted the issuance of new ones, with the exception of few cases. The restrictions for business travel were lifted with certain conditions in March 2022 and in October 2022 for all types of travel.

Since June 2021, the Food Sanitation Act provides that food hygiene controls for all food business operators must be based on Hazard Analysis and Critical Control Point (HACCP) principles.

In 2017, Japan amended the Customs Business Act to eliminate the need for a dedicated customs broker in each office and the economic need tests for authorising business licenses. Also in 2017, a new data protection law entered into force. In 2015, Japan abolished a previous requirement for domestic company registration that at least one of the representative directors must reside in Japan.

Kazakhstan

In the telecommunications sector, as of 2023 an operator may only connect to the public telecommunication networks after installation of specific hardware and/or software on the switching equipment that enables the collection, storage, and provision of information on subscribers of communication networks and the communication services provided to them to the state law enforcement intelligence services.

As of 2022, participation in public procurement is subject to the applicant’s compliance with the eligibility criteria, including its financial stability, which is evaluated on the basis of information about the applicant’s revenues, paid taxes, capital assets and labour compensation fund for the last three years, retrieved from the local state revenues system, which effectively limits evaluation of the applicant’s activity to the local market.

Since March 2020, Kazakhstan restricted travel and the issuance of business visas due to the COVID-19 pandemic. Travel restrictions were lifted in November 2021, when direct air travel between Kazakhstan and India resumed. In July 2022, Kazakhstan established a visa-free regime for Indian citizens for a stay of up to 14 days (Decree 464 of the Government of the Republic of Kazakhstan dated 7 July 2022).

Since 16 December 2020, foreign banks and foreign (re)insurance companies are allowed to open branches in Kazakhstan. To do this, a foreign bank or foreign (re)insurer must ensure the existence of an agreement between the authorised regulator of the Republic of Kazakhstan and the financial supervision body of the state of origin of the foreign bank or foreign (re)insurance organisation. At least two executive managers of a Kazakhstani branch of a foreign bank or a foreign (re)insurance company must be residents of Kazakhstan.

Since 2019, a new law on currency control treats branches of foreign companies as "residents" requiring them to conduct all transactions with other residents in the local currency. However, it remains possible to perform transactions between a resident and a non-resident in a foreign currency.

In the construction sector, as of 1 July 2020 design and construction works were removed from the list of public procurement to be conducted by way of tender with prior qualification selection, easing access to foreign suppliers. In the maritime services sector, provisions granting the National Sea Shipping Company benefits and preferences for the mandatory services rendered by maritime ports was repealed in 2019.

Korea

In 2023, amendments to the Personal Information Protection Act (PIPA) were enacted and generally came into effect in September 2023. The amended PIPA allows overseas transfers when the overseas recipient to whom the data is transferred has obtained a data protection certification by the Korean Personal Information Protection Commission (PIPC) and has taken the necessary data protection measures. Transfer to a country deemed by the PIPC to satisfy PIPA levels of data protection is also allowed.

In April 2020, Korea suspended visa-free entry as well as the validity of previously issued visas, including business visas. Applicants needed to re-apply. Business visas remained in principle available but only once the applicant demonstrated an urgent purpose for travel and only for a single entry. All restrictions were lifted in June 2022.

In August 2020, Korea introduced significant amendments to the PIPA, including with respect to the treatment of information published under pseudonym, the transfer of certain provisions on personal information from the Act on the Promotion of Information and Communications Network Utilization and Information Protection to the PIPA, and the addition of certain types of information under the scope of “sensitive information”.

As of March 2019, foreign IT services providers with no office in Korea must designate a local agent responsible for data privacy compliance.

In 2017, the number of licenses for road transport operators was regulated. In the same year, new requirements were introduced on the acquisition of land and real estate by foreigners.

The requirement that foreign investors transfer stocks to Korean national(s) within six months in cases where their registration is cancelled was lifted in 2015. Restrictions on internet banking were also lifted. Conversely, a requirement that only licensed architects may establish an architectural firm was introduced.

Latvia

In 2019, Latvia undertook structural reforms in financial services, modifying the system of supervision. As of January 2017, the fixed telecommunication market segment is deregulated.

Since 2014, Latvia has tightened regulation in a few sectors, most notably in telecommunications and broadcasting services with the introduction of investment screening mechanisms in 2017. Latvia also removed limits on opening hours for airport use for passenger carriers in 2018.

Changes resulting from EU law are described under the European Union heading in this Annex.

Lithuania

In 2023, the government of Lithuania initiated and completed the liquidation of *UAB Lietuvos kinas*, a state-owned enterprise in the motion pictures services sector.

In 2018, new conditions were introduced for obtaining subsidies for movie production. As of June 2017, the market for fixed telephony was deregulated following market analyses by the regulator. Since that same year, foreign professionals are no longer required to take a local exam to become a licensed auditor. Up to 28 November 2017, at least one person of the administration of a company providing banking services had to reside in Lithuania; this requirement has been lifted. In 2016 Lithuania tightened the limitation on the duration of stay for contractual services suppliers, which changed from 36 to 12 months.

Changes resulting from EU law are described under the European Union heading in this Annex.

Luxembourg

In 2021, the legal services sector in Luxembourg experienced extensive liberalisation in the area of licenses to practice law due to the abolition of nationality and reciprocity requirements.

Since December 2015, the approval to establish a branch may be refused if reciprocity for Luxembourg companies is not ensured by national law.

Changes resulting from EU law are described under the European Union heading in this Annex.

Mexico

In 2023, *Aerolínea del Estado Mexicano, S.A. de C.V* was created, a new majority state-owned company in the Mexican air transport service sector.

In 2022, Mexico adopted IFRS 9 for financial instruments, aligning national accounting standards in the commercial banking services sector with international standards.

In 2020, the adoption of the *Ley de Infraestructura de la Calidad* (Quality Infrastructure Law) promoted the harmonisation of national construction rules with international standards. This law also required national norms, standards, and verification processes for infrastructure and other relevant construction services to be based on international standards.

As of June 2019, Mexico reduced the *de minimis* threshold under which no duties are imposed on imports to USD 50 (down from USD 300), affecting business operations in the distribution, logistics and courier services sectors.

In 2017, Mexico rolled back the foreign equity restrictions on domestic air transport services; foreign ownership of air companies is now permitted up to 49%.

The 2015 financial reform aimed to strengthen prudential regulation, increase credit penetration and promote competition. As a result, foreign financial institutions can now open branches in Mexico to provide insurance services. Although this possibility is still subject to government authorisation and granted on the basis of reciprocity, it nevertheless increases certainty and clarity on the regulatory environment applied to insurance services.

Also in 2015, Mexico established an independent rail regulatory agency.

In 2014, the new telecommunications law eased foreign participation in the mobile and fixed-line services segments of the sector. It also introduced a new independent regulator, with exclusive authority over the sector and new sanctioning powers, and a series of pro-competitive measures challenging the dominant position of incumbent firms.

Malaysia

In August 2022, the Government Procurement Method was published; it increases the value of procurement with tender from above RM 200 000 to above RM 500 000. The implementation of eVisas has been gradually extended to different countries over time, and in November 2021 it was extended to all countries.

Malaysia has eased foreign investment conditions in various services, including in telecommunications, professional, distribution and courier services. In 2015, the Registration of Engineers (Amendment) Regulations entered into force, allowing full foreign ownership in engineering firms.

Netherlands

The divestment of ASR Nederland N.V., previously a state-owned insurance provider, was completed in September 2017. The government's share in ABN AMRO Group N.V. was reduced that same year to 56% (from 63%).

Changes resulting from EU law are described under the European Union heading in this Annex.

New Zealand

In 2023, the number of days to obtain a business visa increased from 9 to 19 days, affecting business travellers across services sectors.

In response to the COVID-19 pandemic, New Zealand introduced a national interest assessment for foreign direct investment in strategically important businesses in May 2020. In June 2020, the government introduced interest rate regulation for consumer credit contracts.

On 1 December 2019, New Zealand abolished its *de minimis* threshold for online shopping, requiring that most overseas businesses selling goods to consumers in New Zealand charge goods and services tax.

In April 2017, the Trade Single Window (TSW) was deployed, including the introduction of a system for pre-arrival processing of shipments. For the motion pictures services sector, a temporary ban on the parallel importation of films for commercial sale for a period of five months from the film's international release ended on 31 October 2016. In May 2015, the Companies Act 1993 was amended to require all companies to have at least one director domiciled in New Zealand or in an "enforcement country" (currently Australia only).

Norway

In 2023, new legislation introduced pre-arrival processing, a trade facilitating measure allowing the processing of shipment information ahead of its arrival at the border. This affected distributors, courier and logistics services providers. Norway also lowered entry barriers for foreign auditing services suppliers by revoking the requirement to have a commercial presence in Norway to provide cross-border services, and by lifting the requirement for auditors and audit firms to underwrite professional liability insurance with a Norwegian insurance company.

In 2022, the Ministry of Finance updated previous delegation decisions in which authority is delegated to the Financial Supervisory Authority (*Finanstilsynet*), an independent government agency.

In 2020, Norway changed its de minimis regime for small value consignments. From 1 April 2020, foreign sellers of goods with a value lower than NOK 3 000 (about USD 340) per unit are eligible to use a simplified VAT scheme – the VAT on Electronic Commerce (VOEC). At the same time, the threshold for customs duties has been raised from NOK 350 (about USD 40) to NOK 3 000 for goods where the obligation to collect Norwegian VAT is handled through the VOEC scheme.

As of 1 January 2019, a new investment screening mechanism has been in effect. It covers investments in certain companies whose activities are essential to national security interests, including national financial stability and autonomy. The screening mechanism applies to direct or indirect acquisitions of one-third or more of the share capital, assets, or voting rights or transactions that would enable the acquirer to exercise significant control over the company. Investments that impose a “not insignificant” risk to national security interests may be blocked or subjected to further conditions.

In 2018, the government sold all its shares in Scandinavian Airlines. A new law on copyright protection entered into force in 2018, which improved the protection of rights holders. The new EU General Data Protection Regulation (Regulation No. 2016/679) entered into force on 25 May 2018, providing a comprehensive update on the EU data protection regime. In 2017, pro-competitive regulations overseen by an independent regulator were introduced in the rail freight sector and an independent appeal body was established under competition law.

Courier services were liberalised in 2016 with the adoption of the EU postal directive. In telecommunications, fixed line origin was deregulated in 2016. However, as of 2016 only EEA operators benefit from regulated termination rates in fixed and mobile markets.

Peru

In March 2021, Article 3 of the law protecting consumers of financial services introduced a requirement to regulate contractual and default interest rates on loans.

From September 2018, Article 4 of *Ley 28951 de actualización de la Ley 13253, de profesionalización del Contador Público y de creación de los Colegios de Contadores Públicos* requires that audit companies should be comprised of licensed public accountants before the entity can be registered in the Public Accountant Association.

In motion pictures, the *Decreto de urgencia que promueve la actividad cinematrografica y audiovisual 022-2019* introduced screen quotas in December 2019.

Poland

In January 2019, Article 114a of the Alien Act entered into force, introducing quotas for natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, and independent services suppliers.

In 2018, Poland introduced an investment screening mechanism; the law on the control of certain investments requires investors to obtain prior approval from the competent minister before acquiring shares of Polish companies operating in strategic sectors. Also in 2018, Poland introduced a new Act Governing the Business Operations of Foreign Enterprises and other Foreign Persons on the Territory of the Republic of Poland. It improves the regulatory environment for entrepreneurs by uniting previously dispersed provisions in one law and eliminating legal uncertainties.

Changes resulting from EU law are described under the European Union heading in this Annex.

Portugal

In 2023, a decrease in the time needed to process a Schengen visa facilitated business travel across services sectors.

In 2022, a reform on the Portuguese Public Professional Association for Statutory Auditors (*Estatuto da Ordem dos Revisores Oficiais de Contas*, Law N.º 140/2015) introduced the possibility of third-country (non-EU) auditors to provide services in Portugal if they have a domiciled representative in the country, eliminating the requirement of a minimum of three-year residency in order to provide auditing services.

Portugal acceded to the United Nations Convention on Contracts for the International Sale of Goods (CISG) in 2020, which entered into force for Portugal on 1 October 2021.

In 2020, Portugal introduced broadcast or airtime quotas are in place for national and European film productions.

In 2019, Portugal repealed the reciprocity requirement to recognise qualifications gained abroad for admission to the Portuguese Order of Architects, which is a prerequisite to practice architecture services in Portugal.

A reform implemented in 2017 extends the duration of the visa for contractual services suppliers and independent services suppliers on their first entry permit from four to twelve months.

In 2015, a liberalisation measure in the architecture services sector repealed a reciprocity requirement for admission to the Portuguese Order of Architects, which is a prerequisite to practice in Portugal. At the same time, however, a similar reciprocity requirement was introduced in the Order of Portuguese Engineers and the Order of Portuguese Technical Engineers.

Changes resulting from EU law are described under the European Union heading in this Annex.

Singapore

Singapore has undergone important regulatory reforms over the past years that have contributed to significant services trade liberalisation. According to the Competition (Block Exemption for Liner Shipping Agreements) Order previously in force, maritime liner shipping agreements were fully exempt from national competition laws. As of 2022, amendments to the Order limit this exemption to specific types of shipping agreements.

The Foreign Interference (Countermeasures) Act adopted in October 2021 empowers the government to issue takedown orders and direct Internet service providers to block harmful content in Singapore if content providers fail to comply with requests and block applications that spread related content. To that end, the regulator can issue an access blocking direction, an account restriction direction, or a service restriction direction.

In 2017, new reforms were introduced to allow foreign architects from jurisdictions that entered into mutual recognition agreements with Singapore. In 2017, several reforms in the courier and postal sector aimed to promote competition in this sector.

Since 2015, commercial associations between law practices and other professionals are allowed.

Slovak Republic

In March 2023, Regulation of the Government of the Slovak Republic establishing critical foreign investments introduced foreign investment screening for a set of critical services sectors, such as telecommunications, broadcasting, commercial banking, and rail and road freight transport services. Screening applies to certain investments by non-EU investors.

As of 2018, the Slovak Republic eased its procedures in accounting services concerning the recognition of qualifications gained in third countries. For courier services, a dispute settlement mechanism under the auspices of the regulatory authority was introduced in 2016.

Other changes resulting from EU law are described under the European Union heading in this Annex.

Slovenia

Since October 2020, Slovenia has imposed the screening of foreign direct investment on the grounds of security and public order.

As of 2018, intra-corporate transferees from third countries can remain in Slovenia for up to 36 months on their initial permit.

In 2016, Slovenia adopted a new Collective Management of Copyright and Related Rights Act by which conditions for membership in a collective copyright management body are based on objective, transparent and non-discriminatory rules.

Other changes resulting from EU law are described under the European Union heading in this Annex.

South Africa

The Protection of Investment Act entered into force in 2018, providing for new restrictions on foreign investments in South Africa. As of 2018, foreign insurance companies can establish branches in the country and insurance providers shall appoint a resident person as their public officer.

Spain

In 2023, Spain increased the duration of stay for contractual services suppliers and independent services suppliers from 24 to 36 months. That same year, it also adopted Royal Decree 571/2023 on foreign investments, bringing further clarity to the screening regime of foreign investments.

In the context of the COVID-19 pandemic, new rules for the screening of foreign investments introduced in 2020 increased the level of regulatory restrictiveness for most services sectors.

Parts of the telecommunications market were deregulated in 2017 following market analyses by the regulator.

Other changes resulting from EU law are described under the European Union heading in this Annex.

Sweden

Fixed-line telephony was deregulated in 2017 and the market for high-quality access to leased lines were deregulated in 2018 following market analyses by the regulator, which found the markets to be competitive.

Other changes resulting from EU law are described under the European Union heading in this Annex.

Switzerland

The revised Federal Data Protection Act came into force on 1 September 2023, with the objective of better protecting personal data.

In 2022, architectural services were affected by an increase in the business visa processing time.

The 2021 reform on the Federal Law on Public Procurement represented an important step in the direction of a more harmonised and updated policy regime on public procurement. The 2021 legal framework for public procurement introduced a new channel for the Swiss Contracting Authority to allow foreign providers to participate in tenders. While this widens market access, its effectiveness is weakened by reducing the scope to challenge the Authority's decisions only to instances where reciprocal conditions are demonstrated for Swiss tenderers.

In 2019, the import monopoly on ethanol over 80% was abolished, easing restrictions on foreign entry in distribution services.

Thailand

In May 2019, Thailand enacted a new Personal Data Protection Act (PDPA) establishing a framework for data protection and regulating cross-border data flows. In June 2022, the PDPA was fully enforced after some provisions had been partially enforced ahead of the year. As a rule, personal data can be transferred to a foreign country if the destination country has an adequate data protection standard.

As of 2017, publicly-controlled firms are not exempted from the Trade Competition Act. However, certain sectors are subject to specific competition regulation and thus exempt from this Act. These include telecommunications, financial services, and civil aviation.

Türkiye

The recent amendments to the E-commerce Law, in effect from 1 January 2023, introduced quantitative limits on advertising and marketing through digital services.

A 2022 reform affected the duration of stay for services suppliers; this has been extended from 12 to 24 months for intra-corporate transferees and to 36 months for contractual and independent services suppliers upon first entry. Further reforms in 2022 focused on improving regulatory transparency, allowing foreign suppliers to participate in the public consultation process for new legislative instruments that affect the business and investment environment in Türkiye.

In 2020, the establishment of a local presence in Türkiye became a requirement for the cross-border provision of services in the case of computer services, motion pictures, sound recording, and broadcasting services. In addition, in telecommunications a regulation that entered into force in 2019 obliges communication service providers to set up internet exchange points in Türkiye. Following the introduction of a set of rules in 2019, certain data must be stored locally in several sectors, such as computer services and accounting services.

In 2018, the length of term of heads of the supervisory authority in the commercial banking sector was reduced from five to four years.

In 2016, Türkiye adopted a new law on the protection of personal data. In 2015, it adopted a regulation implementing the 2013 Law on Liberalisation of the Turkish Rail Transport, which paved the way for operationalising the reforms prepared for the rail transport sector. Also since 2015, all entities providing e-payment and e-money services are granted a license provided they meet certain requirements, including having their operations located in Türkiye through a commercial presence (in the form of a joint-stock company).

United Kingdom

In commercial banking, the United Kingdom's government's share in NatWest dropped below 50% in 2023, as a result of a trading plan which aimed to return the government owned NatWest shares back to private ownership.

The National Security and Investment Act (NSIA) 2021 entered into force in 2022. The Act establishes new procedures for the screening of investments for the purposes of protecting national security. The United Kingdom left the European Union in January 2020 and entered into a transition phase which ended on 31 December 2020. Many new legislations and regulatory amendments were introduced as a result, and some of these have implications for the STRI. A few examples are described below.

Contractual services providers and independent professionals can enter the United Kingdom on the T5 (Temporary Worker) International Agreement Worker immigration route which replaced the Tier 5 (Temporary Worker) route as of 1 December 2020. A new Skilled Worker visa route was introduced to replace the Tier 2 (General) visa route together with a new points-based system. Under this route, previous caps on the maximum number of Tier 2 (General) visas have been suspended and there is no longer a requirement for employers to undertake a Resident Labour Market Test. However, rules on sponsorship control continue and include the need to obtain a sponsorship license and pay the Immigration Skills Charge for the duration of the employment. As of January 2021, this charge must also be paid for EU/EEA nationals applying for a Skilled Worker route. An updated Intra-Company Transfer route was also set up for workers who are being transferred by the business they work for to do a skilled role in the United Kingdom.

On 1 January 2021, the United Kingdom formally acceded to the WTO General Procurement Act (GPA) on its own right having been previously part of the GPA as an EU member state before.

In air transport services, the Operation of Air Services (Amendment, etc.) (EU Exit) Regulations 2018 implemented EU Regulation 1008/2008 into the UK domestic regulatory environment. One of the main changes include the lifting of majority nationality-based ownership and control requirements for the issue of a UK Operating Licence which entails a substantial liberalisation for investment in the sector.

The Maritime Transport Access to Trade and Cabotage (Revocation) (EU Exit) Regulations 2019 revoked prior EU legislation that limited cabotage traffic only to EU vessels. Cabotage operations for foreign vessels are now permitted in certain circumstances under an "Open Coast" policy that applies to all nations.

The Financial Services Act 2021 introduced several changes to the United Kingdom's regulatory framework. For instance, it changed some aspects of the United Kingdom's prudential regulatory regime and implements the Basel III standards.

As of January 2021, the United Kingdom abolished the Low Value Consignment Relief, which relieved import VAT on consignments of goods valued at GBP 15. All imported goods up to GBP 135 are now subjected to domestic VATs. The threshold for relief from customs duty continues to be GBP 135.

United States

As of February 2021, requirements for H-1B visas for entry-level computer programmers have been eased by allowing applicants to qualify for a position in a specialty occupation as required for H-1B visas.

In the context of responding to the COVID-19 pandemic, entry into the United States through H-1B visas was suspended temporarily between June 2020 and March 2021.

The Foreign Investment Risk Review Modernization Act of 2018 expands the jurisdiction of Committee on Foreign Investment in the United States (CFIUS) and brings amendments to CFIUS's processes, including a new declarations procedure.

Since 2016, foreign attorneys can obtain a temporary authorisation to practice law in New York. As of July 2016, foreign banks with USD 50 billion or more in US assets must form a US intermediate holding company (IHC) to act as the parent company of all of the foreign bank's US subsidiaries. Also in 2016, the threshold for *de minimis* regime on customs duties for imported merchandise was raised to USD 800.

Viet Nam

A new decree on the protection of personal data, which entered into force in July 2023, introduced additional rules for cross-border data transfers. Companies intending to complete cross-border transfers of data now have to seek approval from the Ministry of Public Security on an *ad hoc* or case-by-case basis.

In motion picture services, Viet Nam lifted the minimum capital requirements for film production businesses by Decree 131/2022, in effect from 1 January 2023.

In response to the COVID-19 pandemic, Viet Nam restricted the entry of foreigners into the country starting in March 2020. The lifting of pandemic-related travel restrictions started in March 2022, including for business travel.

From January 2021, the amended Enterprise Law (Law No. 59/2020/QH14) simplified conditions related to the establishment and operation of corporations in Viet Nam. Since 2020, it is no longer required that a Vietnamese national be the legal representative of an airline, however such representatives must reside in the country.

A new Investment Law was introduced in 2020 which introduced a negative list approach for market access and eased some of the conditions on foreign investment that have applied since 2014. Particularly, it removed some services activities from the negative list (e.g. certain logistics activities) bringing about broader trade liberalisation. Nonetheless, services sectors that continue to be on the list remain subject to several administrative hurdles (e.g. the requirement to obtain high-level approvals for certain types of investments). Additionally, foreign investments can be rejected on grounds of national defence or security which are not specifically defined in the Investment Law.

Annex B. STRI indices by sector

The digital network

The digital supply chain consists of content such as audio-visual services, design, and other knowledge-capturing products, as well as digital rights management and content delivery. Telecommunications and broadcasting provide the networks over which content is delivered, and computer and information services offer a host of services including information storage and processing, network management systems, and over-the-top (OTT) services complementing and sometimes competing with telecommunications and broadcasting services. Below are short descriptions of the five sectors that fall within the category of digital networks.

Telecommunication services are comprised of wired and wireless telecommunications activities (ISIC Rev 4, code 61). They enable global value and facilitate the efficient provision of computer services, audio-visual services, and professional services, among others.

Computer services are defined as computer programming, consultancy and related activities and information service activities (ISIC Rev 4, codes 62 and 63). A high quality communication infrastructure allows for prominent supply of services across borders, though it is still dependent on complementary technical expertise for installation, use and maintenance, which require computer engineers and other technical experts.

Television and broadcasting services include television programming and broadcasting activities (ISIC Rev 4, codes 591 and 601). Television services are increasingly bundled with telecommunications services by telecommunications operators and, in some cases, broadcasters have become telecommunications operators. More recently, video on demand (VOD) has become an increasingly important distribution method for audio-visual content and there are a host of suppliers offering streaming and downloading over the Internet.

Motion pictures services are defined as motion picture, video and television programme production, post-production, and distribution activities (ISIC Rev 4, code 591). The sector has benefitted from rapid digitalisation and technological developments that facilitate the streaming of media content over the Internet.

Sound recording services cover sound recording and music publishing activities (ISIC Rev 4, code 592). The sector has been subject to rapid digitisation, with music streaming becoming an important basis for monetising the migration of physical records to digital platforms.

Logistics and related services

Transport and logistics services are not only extensively traded in their own right, but are also intermediate services at the core of global value chains and just-in-time inventory management, with the related demand for door-to-door services. The importance of transport and logistics services increased in the context of efforts to address the COVID-19 pandemic. Distribution services, including online retail sales, are essential for bringing goods from the producer to the consumer, for job creation, and for demand-driven economic growth. Below are brief descriptions of the ten sectors covered in the STRI that fall in the category of transport and distribution supply chain.

Air transport services are defined as passenger and freight air transport (ISIC Rev 4, code 51) at the domestic or international levels. This sector covers commercial establishment only. Air transport services are traded in their own right and are an intermediate service for other kinds of trade. Air cargo transport is also a key determinant to meet demand for time sensitive products and often represents the only viable means of transport to remote, peripheral regions and landlocked countries.

Maritime freight transport services cover sea shipping and related port activities (ISIC Rev 4, code 5012), but exclude maritime passenger transport and transport on internal waterways.

Rail freight transport services include rail infrastructure management and operation of freight services (ISIC Rev 4, code 4912). Rail transport services are traded and part of a network that provides intermediate services essential to global value chains and just-in-time inventory management.

Road freight transport services are defined as freight transport by road (ISIC Rev 4, code 4923). The STRI for this sector covers commercial establishments only. Cross-border trade is governed by a system of bilateral and plurilateral agreements which provide for permits, quotas, and other regulations.

Courier services are defined under ISIC Rev 4, code 53 as postal and courier activities. Although the importance of mailed letters has declined, the rise of e-commerce increases the demand for parcels and express deliveries. Consequently, timely, precise, and reliable delivery services are critical.

Distribution services cover general wholesale and retail sales of consumer goods (ISIC Rev 4, codes 46 and 47), though specific regulations of speciality distribution sectors, such as pharmaceuticals and motor vehicles, are not considered. The STRI in this sector also covers regulations relating to electronic commerce given the increasing prevalence of multi-channel retail services as a form of distribution services.

Logistics services are defined as cargo-handling services (ISIC Rev 4, code 5224), storage and warehousing services (including customs warehouse services) (ISIC Rev 4, code 521), freight forwarding services, and customs brokerage services (ISIC Rev 4, code 522). Since the regulatory framework for these four sub-sectors can be different in many countries, separate indices have been developed for each.

Market bridging and supporting services

Economic activity in general and international transactions in particular rely heavily on access to credit, payment systems, and insurance. A legal framework supporting the enforcement of contracts is one of the most important pillars of a market economy in which foreigners can do business. Trustworthy, transparent, and easy to understand accounting information and services further strengthen business structures and enable better regulatory compliance. Below are brief descriptions of the four sectors that fall in the category of market bridging and supporting services.

Commercial banking services are defined as deposit-taking, lending, and payment services (ISIC Rev 4, code 64). Commercial banking services are traded business-to-business, as well as business-to-consumer for retail banking. Efficient banking services are essential for dynamic economies as they provide financing for investment and trade across productive activities, underlying all value chains.

Insurance services (ISIC Rev 4, codes 651 and 652) comprise life insurance, property and casualty insurance, reinsurance, and auxiliary services. Private health insurance and private pensions are not covered. Efficient insurance services enable dynamic economies as they provide firms with risk management tools and channel savings towards long-term investment.

Legal services (ISIC Rev 4, code 691) cover advisory and representation services in domestic and international law. International law includes advisory services in home country law, third country law, and international law, as well as a right to appear in international commercial arbitration. Domestic law extends to advising and representing clients before a court or judicial body in the law of the host country.

Accounting services are comprised of accounting, auditing, and book-keeping services (ISIC Rev 4, code 692). The international market for these services is dominated by a handful of corporations characterised by a high degree of concentration, organised as a network, and generally owned and managed independently with a presence in a large number of countries.

Physical infrastructure services

Physical infrastructure services include construction, architecture, and engineering services. Construction services have historically been considered strategic for providing the infrastructure for other industries, as well as due to the sector's close links to public works and the allocation of fiscal resources. Architects undertake the design of buildings, whereas engineers participate in the construction of key infrastructure such as buildings, roads, and bridges. Engineering and architectural activities are often combined in projects offered by one company, and are sometimes subsumed in the construction sector. Below are short descriptions of the three sectors that fall within the category of physical infrastructure services.

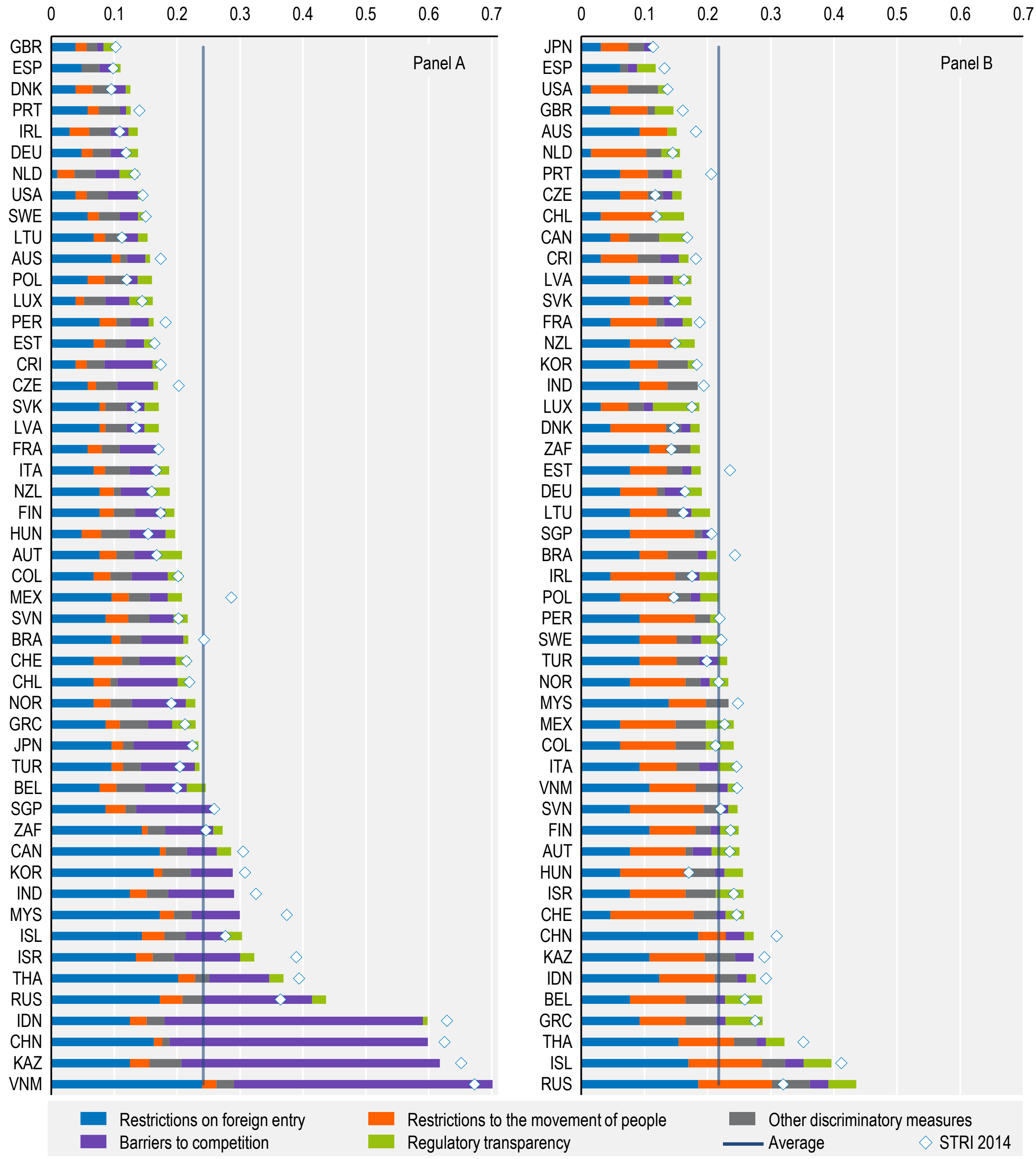
Construction services cover construction of buildings (residential and non-residential), as well as construction work for civil engineering (ISIC Rev 4, codes 41, 42 and 43). Construction services have historically played an important role in the functioning of economies, providing the infrastructure for other industries. These services account for a significant share of gross domestic product (GDP) and employment in most countries. Public works, such as roads and public buildings, account for about half of the market for construction services. As such, the STRI for construction services covers detailed information on public procurement procedures.

Architectural services include related technical consultancy (ISIC Rev 4, code 71). This sector plays a key role in building design and urban planning.

The definition of **engineering services** (ISIC Rev 4, code 71) covers several related activities, such as engineering and integrated engineering services, and engineering-related scientific and technical consulting services. These provide essential inputs for the economy and play a significant role in the development of production processes and the adoption of new technologies.

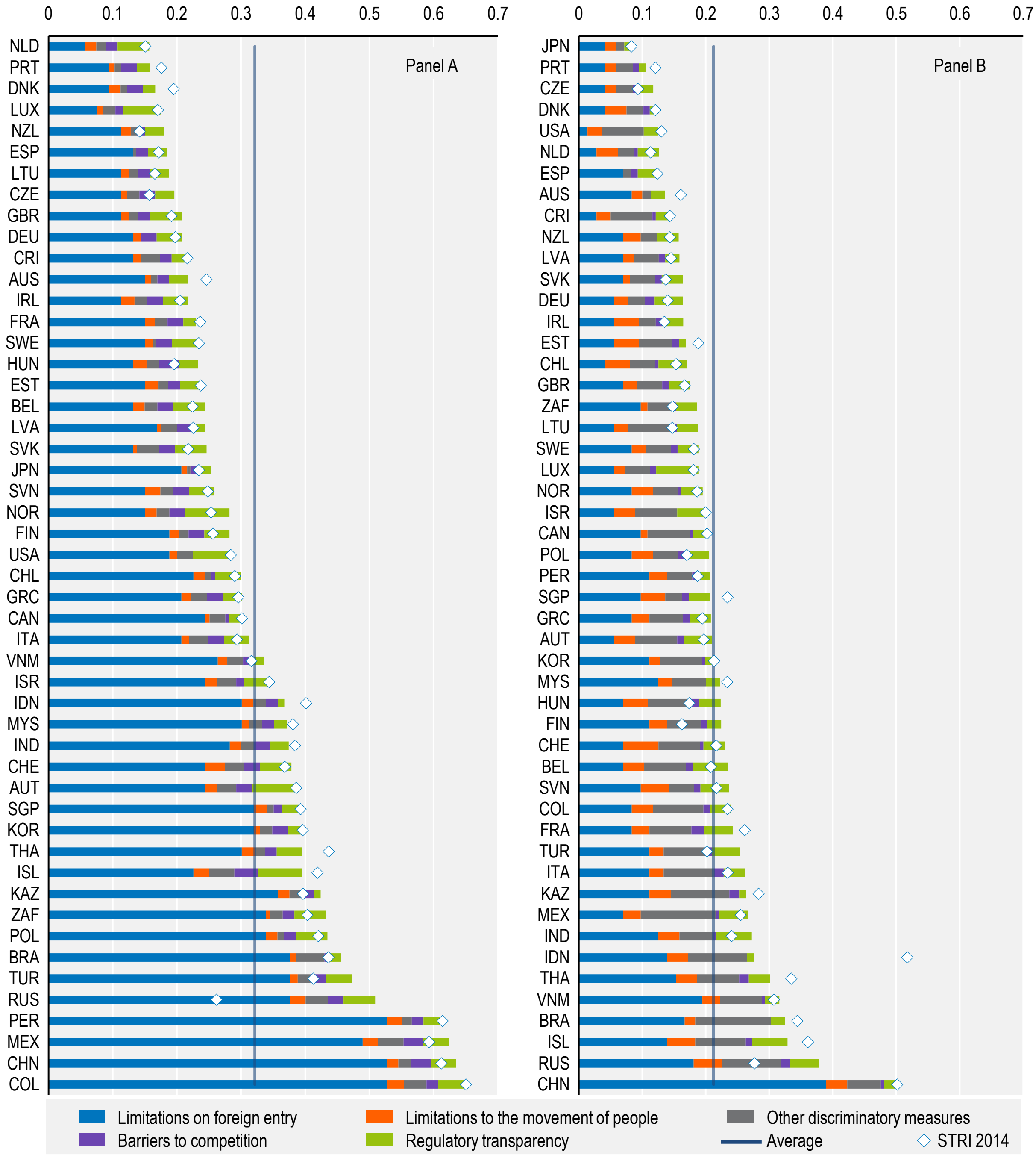
The digital network

Figure A B.1. Telecommunication (Panel A) and computer services (Panel B), 2023



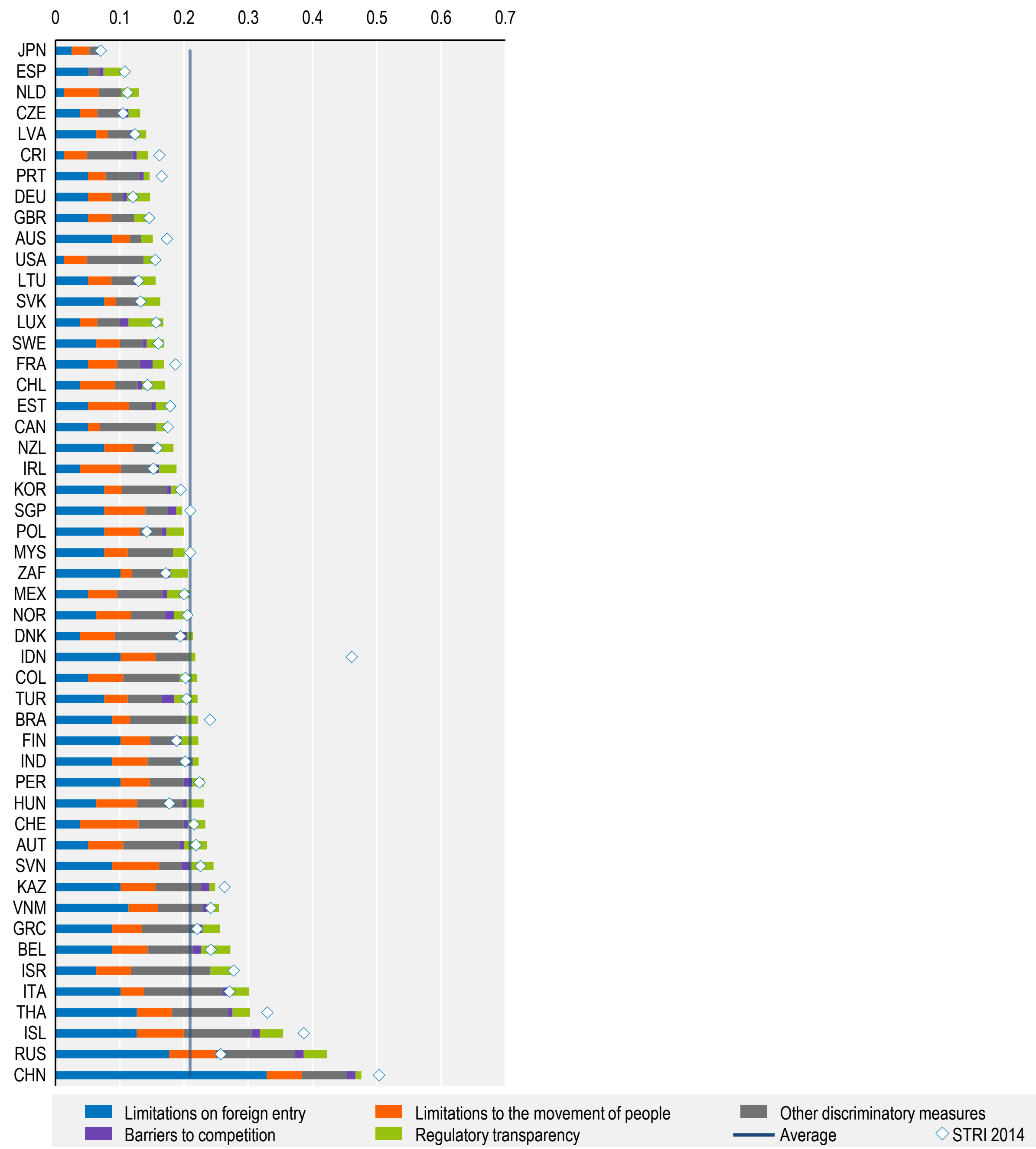
Source: OECD STRI database (http://oe.cd/stri-db).

Figure A B.2. Television and broadcasting (Panel A) and motion picture services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

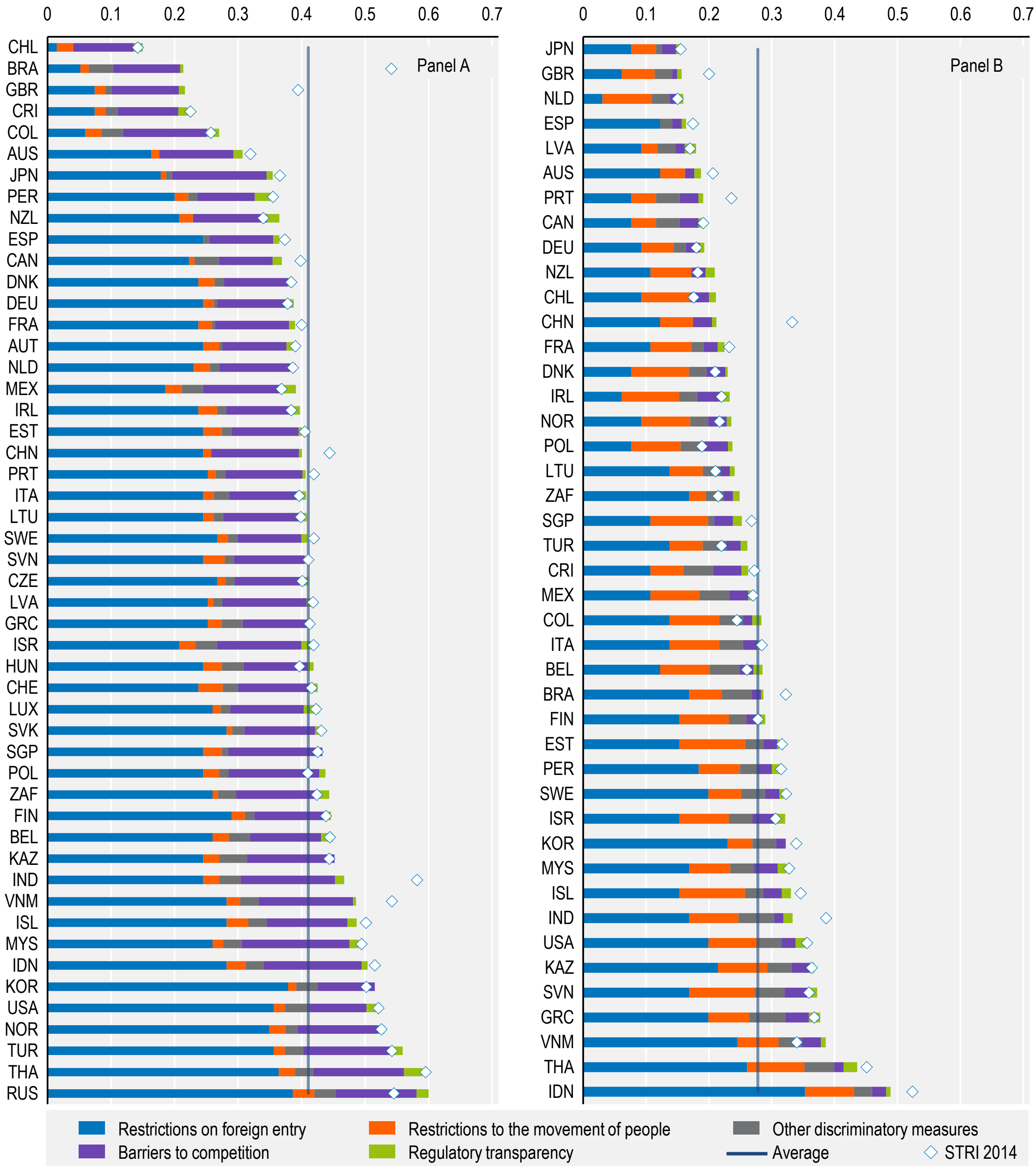
Figure A B.3. Sound recording services, 2023



Source: OECD STRI database (http://oe.cd/stri-db).

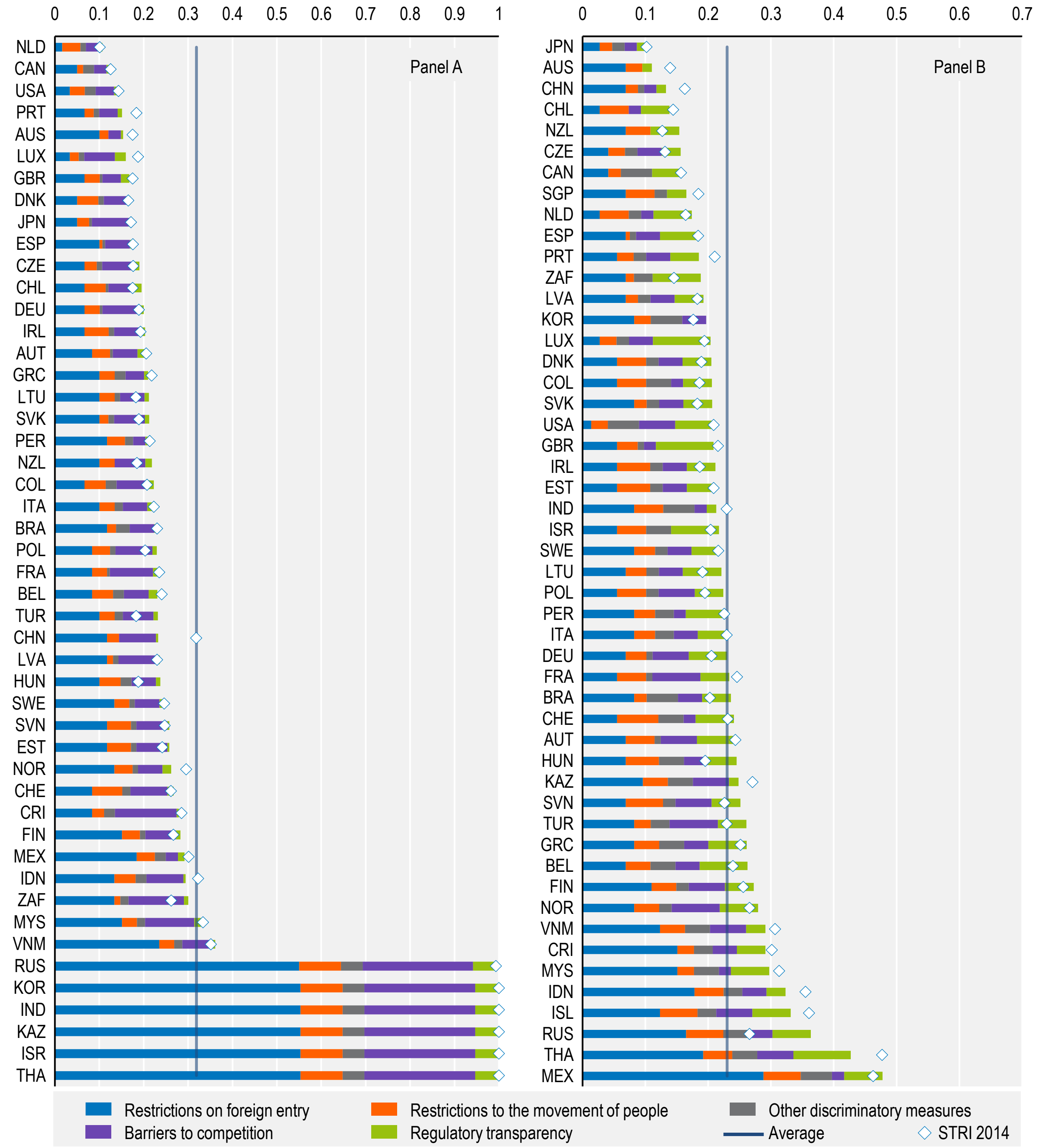
Logistics and related services

Figure A B.4. Air transport services (Panel A) and maritime transport services (Panel B), 2023



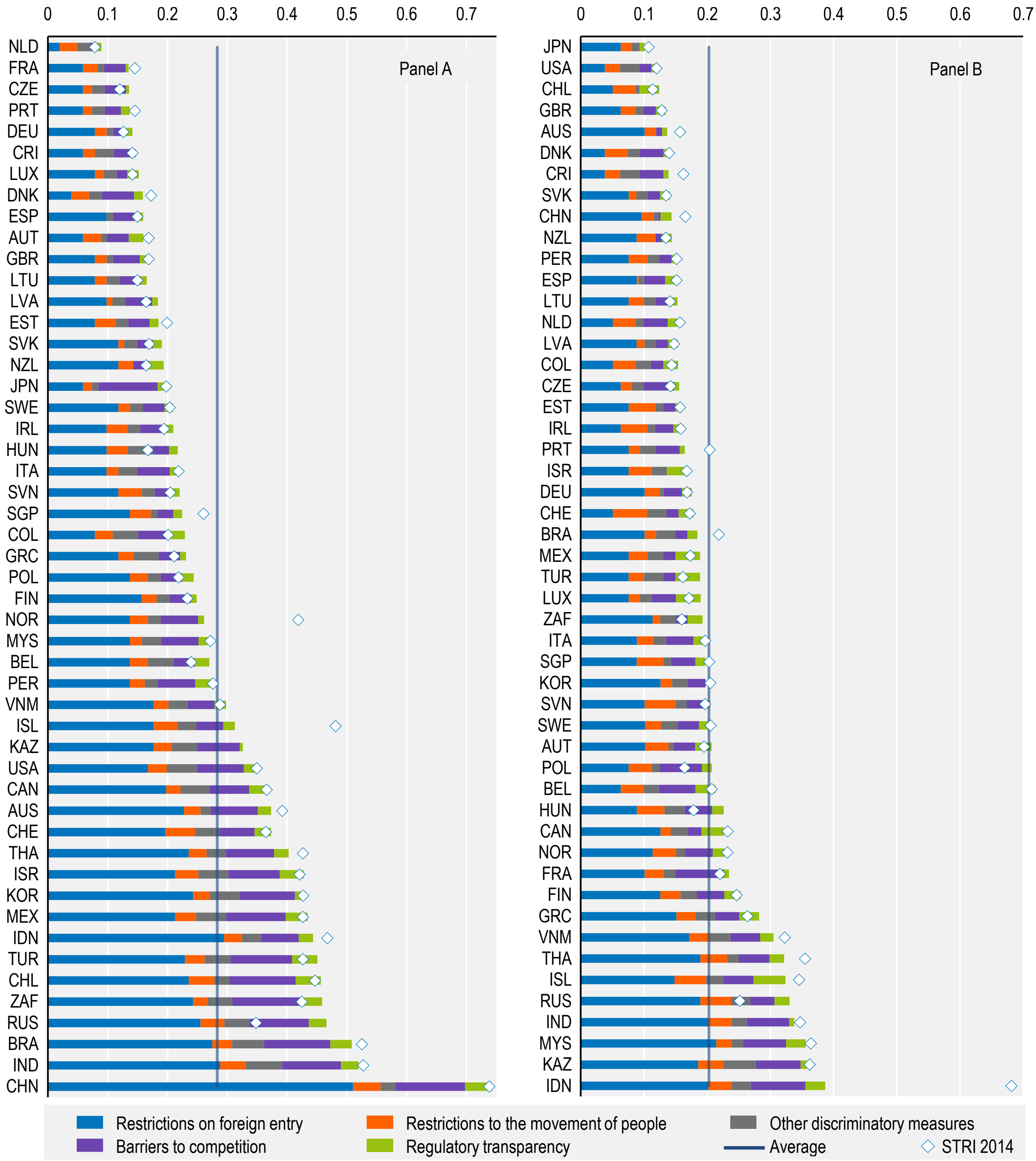
Source: OECD STRI database (http://oe.cd/stri-db).

Figure A B.5. Rail freight transport services (Panel A) and road freight transport services (Panel B), 2023



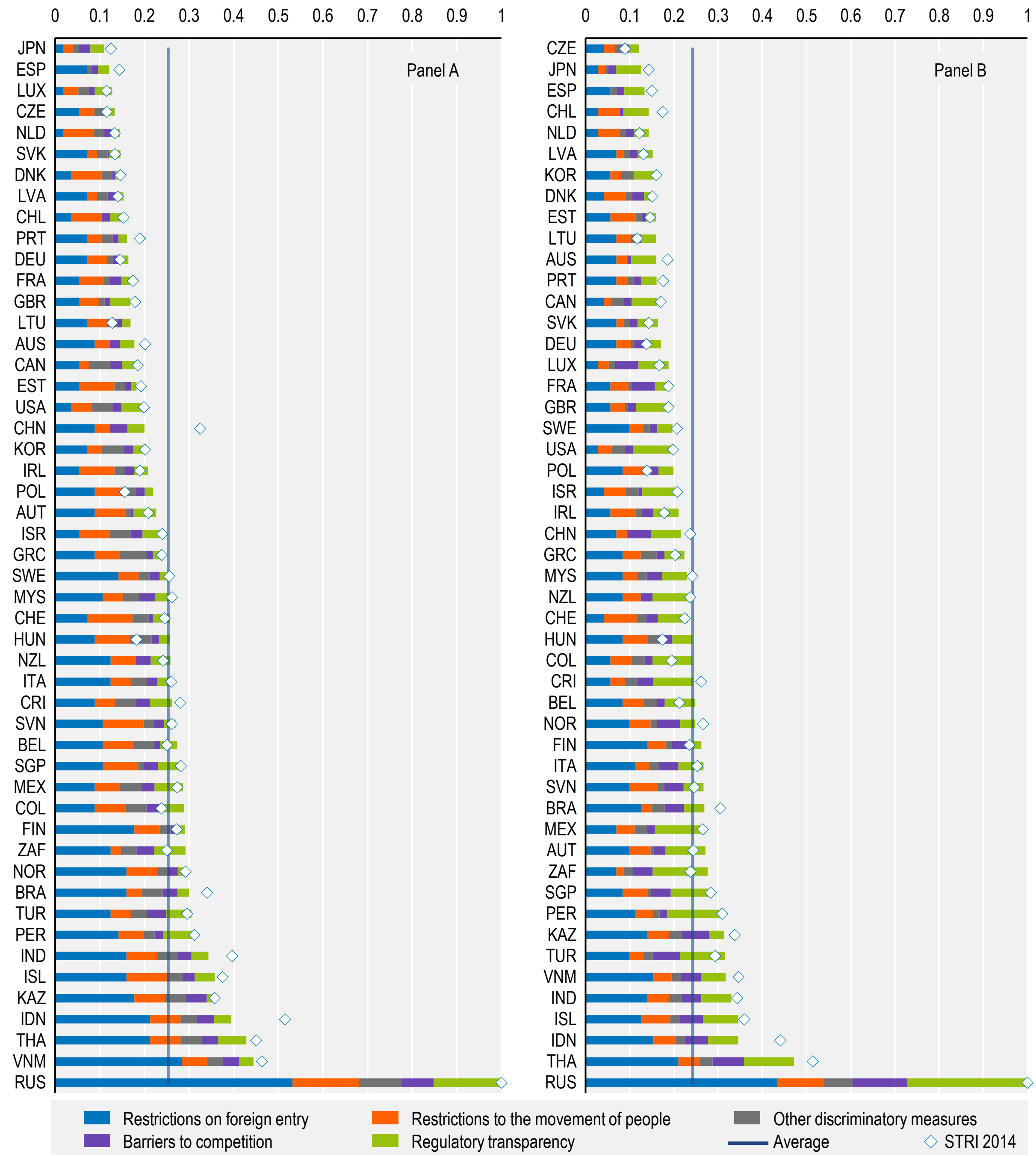
Source: OECD STRI database (http://oe.cd/stri-db).

Figure A B.6. Courier services (Panel A) and distribution services (Panel B), 2023



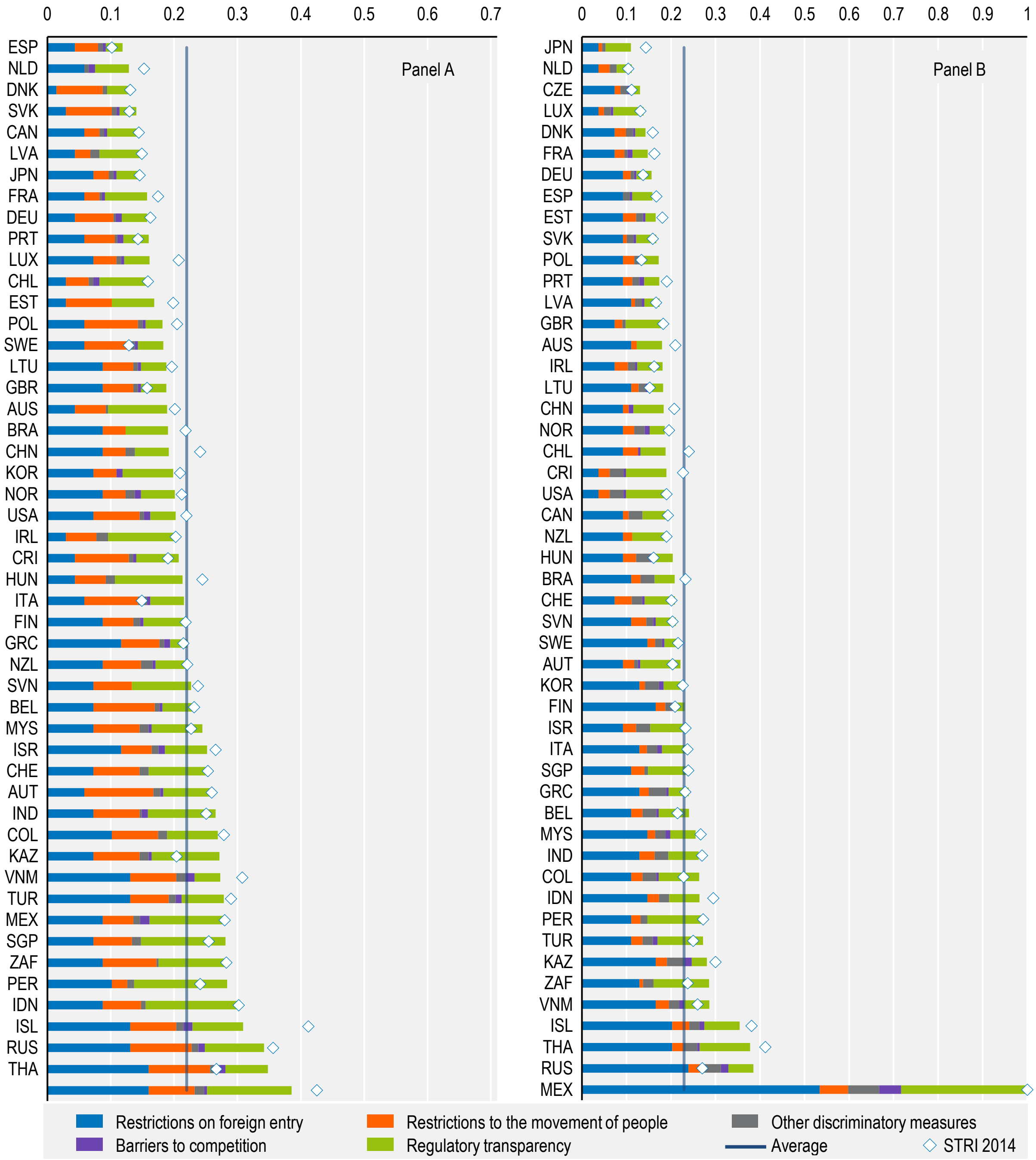
Source: OECD STRI database (http://oe.cd/stri-db).

Figure A B.7. Logistics cargo-handling services (Panel A) and logistics storage and warehouse services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

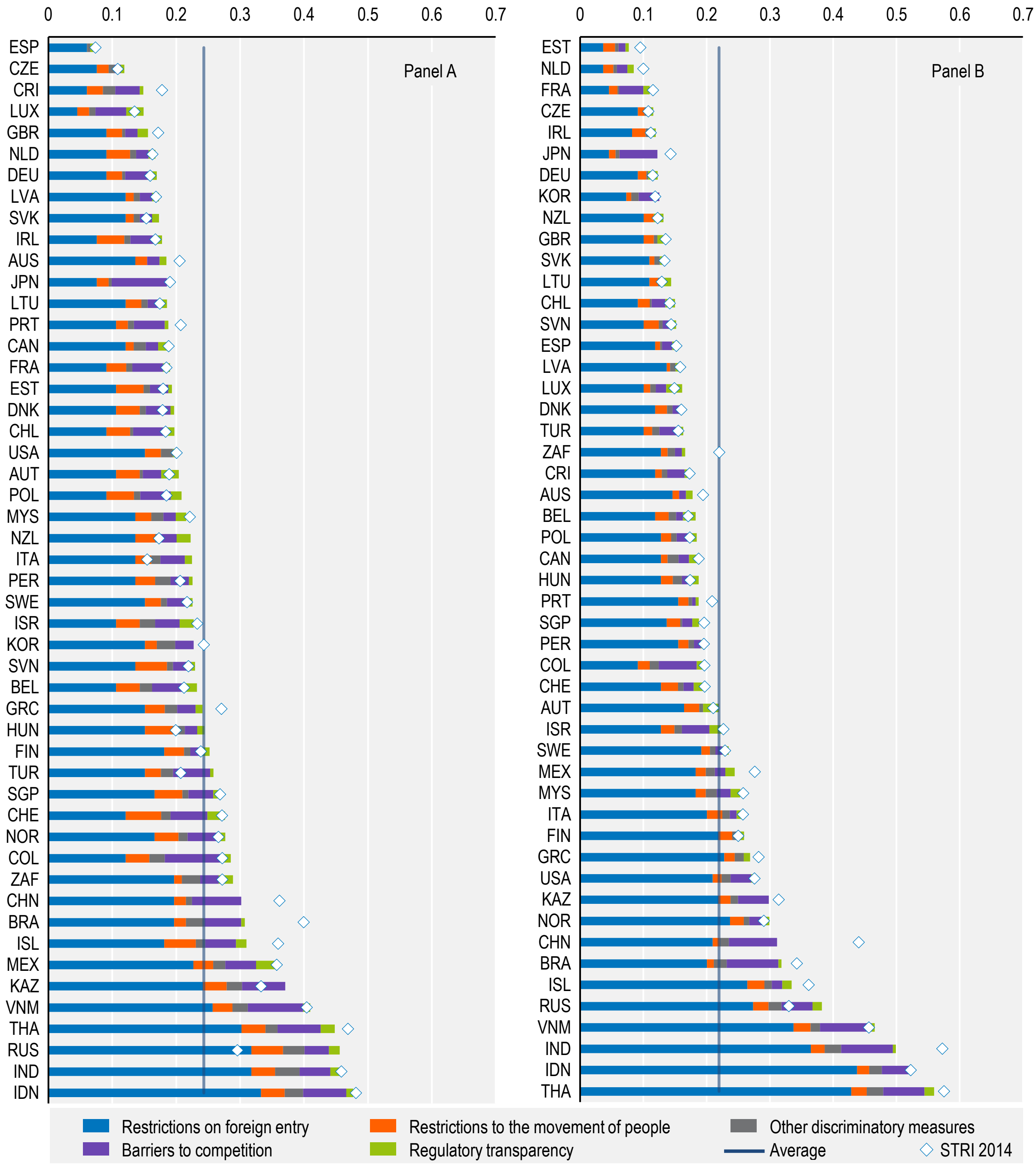
Figure A B.8. Logistics freight forwarding services (Panel A) and logistics customs brokerage services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

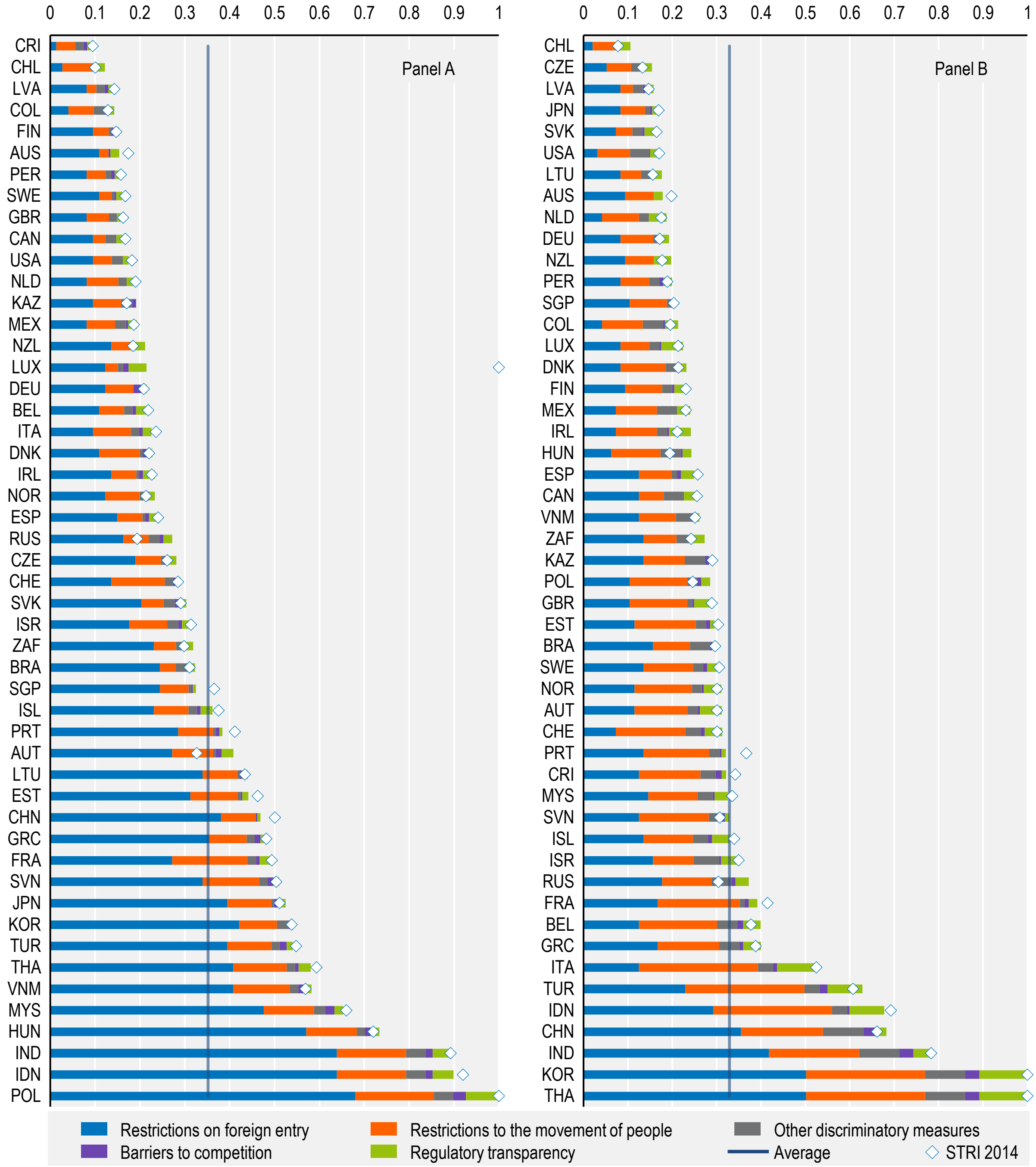
Market bridging and supporting services

Figure A B.9. Commercial banking services (Panel A) and insurance services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

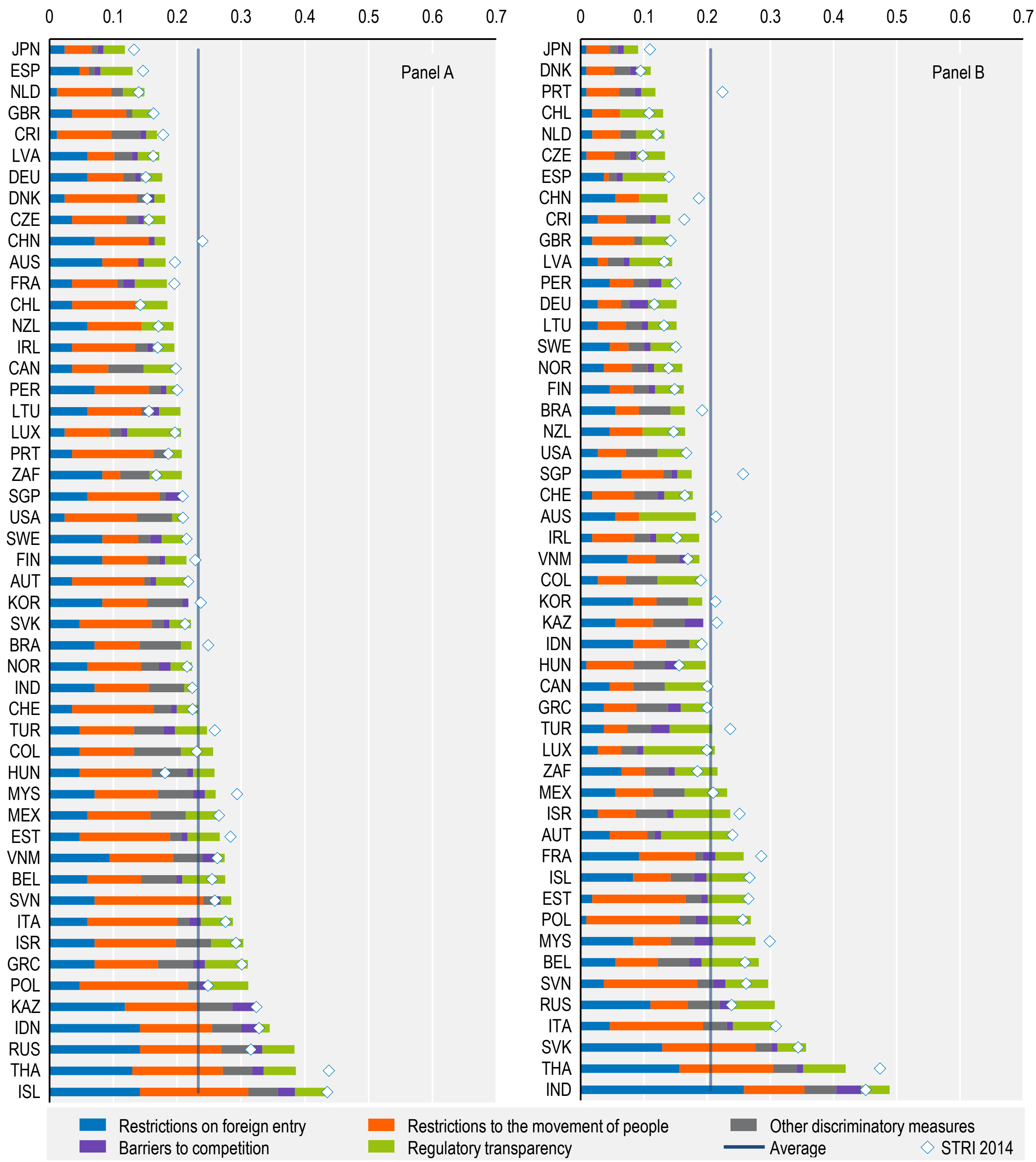
Figure A B.10. Legal services (Panel A) and accounting and auditing services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

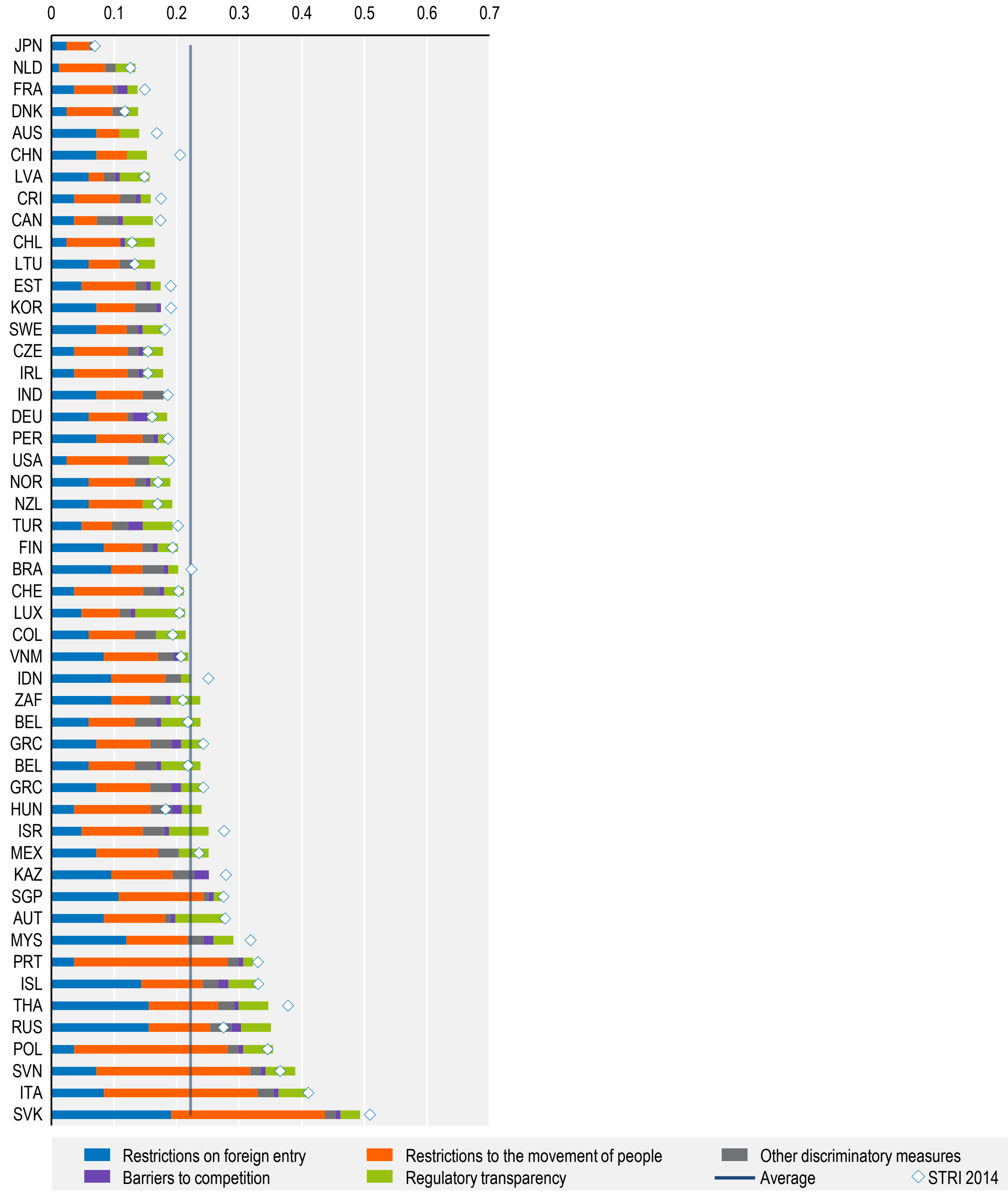
Physical infrastructure services

Figure A B.11. Construction services (Panel A) and architecture services (Panel B), 2023



Source: OECD STRI database (http://oe.cd/stri-db).

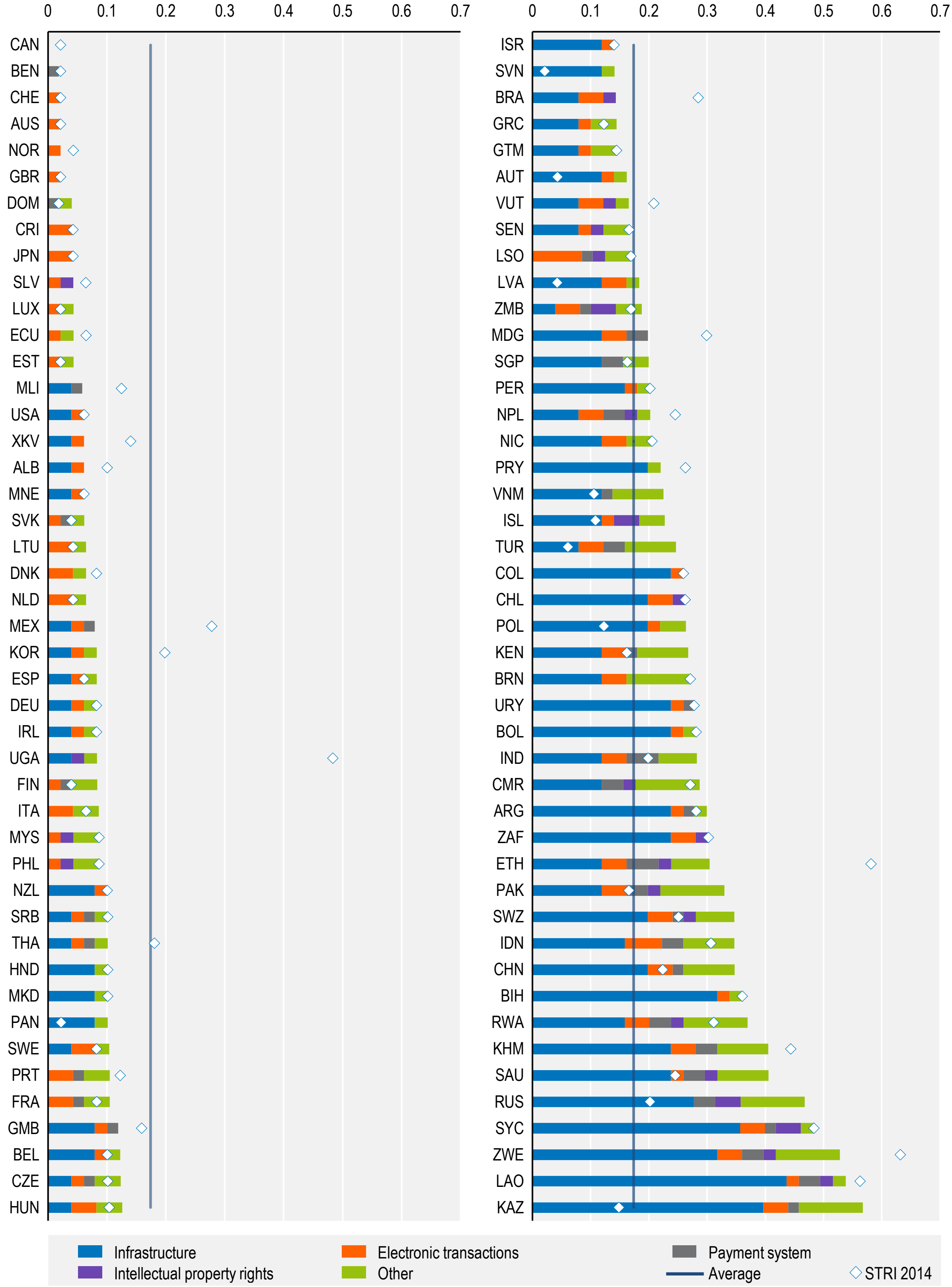
Figure A B.12. Engineering services, 2023



Source: OECD STRI database (http://oe.cd/stri-db).

Annex C. Digital STRI by country

Figure A C.1. Digital STRI by country, 2023



Source: OECD STRI database (http://oe.cd/stri-db).