



Australian Government

Department of Foreign Affairs and Trade

### ***FACT SHEET - INVESTMENT***

AANZFTA will provide a more transparent and certain environment for Australian investors in ASEAN countries through a range of legal protections and transparency disciplines.

The investment protections in AANZFTA apply to investment in services and non-services sectors of the economy and are directed at the post-establishment phases of the investment. They include requirements on Parties to:

- . apply fair and equitable treatment and full protection and security (the minimum standard of treatment at customary international law) to investments;
- . ensure non-discriminatory treatment in relation to measures for investors that have suffered losses due to armed conflict, civil strife or states of emergency;
- . allow funds of an investor relating to an investment to be transferred freely and without delay, subject to specified exceptions;
- . ensure that investors receive prompt, adequate and effective compensation in the event of expropriation or nationalisation of an investment.

Investors will have a right to international arbitration (investor-state dispute settlement) to resolve disputes about alleged breaches of these obligations.

Australian investors will also benefit from transparency provisions which cover, among other things, minimum standards of procedural transparency and rights of review of administrative decisions and prior comment before the adoption of new measures.

AANZFTA provides for a work program to develop market access schedules, covering pre-establishment issues such as foreign equity limits, within five years of entry into force of the Agreement, subject to agreement of the Parties.

Australia's Investment Protection and Promotion Agreements with four ASEAN countries (Indonesia, Laos, Philippines and Vietnam), which include post-establishment legal protections comparable to those in AANZFTA, will remain in force as distinct, functioning agreements.