



Session 6:

Protocol VII on Investment Facilitation – Expert responses to comments and discussion

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Focus of Today's Remarks

Most articles needed no further attention – broadly accepted in June:

- Objectives, general definitions, regional cooperation, institutional provisions, final clauses

Main focus today:

- Article 2 – Scope and Application
- Article 4 – Transparency and Information Access
- Article 5 – Simplified Administrative Procedures
- Article 6 – Domestic Coordination and Focal Points
- Article 8 – Sustainable Investment and Responsible Conduct

Few clarifications (comments from Azerbaijan and Turkmenistan)

- Protocol is about process, not market access or ISDS:
- Investor's experience, certainty of information, efficiency, coordination
- Narrow scope preserves regulatory space; delivers predictability, transparency, speed

Article 4 – Transparency and Information Access

Transparency is the backbone of facilitation. Investors' main cost is uncertainty – rules scattered, procedures unclear, fees unpredictable.

- Publication duty: “Each Party shall ensure that investment-related measures of general application... are published or otherwise made publicly available, preferably via electronic means, in a timely manner and at the latest by the time of their entry into force.”
- Clarity and participation: Parties should “explain the purpose and rationale of new investment-related measures... allow a reasonable interval... and provide, where practicable, an opportunity for public comment.”
- One-stop information: “Each Party shall make available, preferably through a single online portal, comprehensive and up-to-date information relevant to foreign investors... including sectors open, restricted, or closed; step-by-step procedures; fees and forms; permits; incentives; insolvency; contacts.”
- Flexibility for non-WTO members: “Where a Party is not a WTO member or does not maintain sectoral schedules, the Party may fulfil subparagraph (a) by publishing its current domestic regime or a general statement and providing contact points for enquiries.”
- Support and service: Requires at least one enquiry point and promotes regional interoperability.

Articles 5, 6 and 8 – Efficiency, Coordination, Responsibility

Article 5 – Simplified Administrative Procedures

“Authorization procedures must be reasonable, objective, and transparent.”

Criteria established in advance; applications open year-round where possible

Indicative timeframes, acknowledgement of receipt, reasons for refusal, option to resubmit

Encourages “electronic submissions and single-window mechanisms”

Article 6 – Domestic Coordination and Focal Points

“Each Party shall designate a national focal point or appropriate mechanism.”

Roles: respond to enquiries, guide investors, coordinate agencies, receive complaints, recommend reforms

Article 8 – Sustainable and Responsible Conduct

“Parties shall promote responsible business conduct, combat corruption, and ensure facilitation does not weaken environmental or social safeguards.”

Signals openness with integrity – aligns with ESG expectations

Overview of Changes Since June

Operational
articles
unchanged in
structure – only
editorial
refinements

- Three targeted clarifications added to Article 1 and Article 4 based on member comments:
 - New definition of “Investment” – Azerbaijan
 - Flexibility in Article 4 for non-WTO members – Azerbaijan
 - Non-derogation clause to respect bilateral treaties – Turkmenistan

Details of Clarifications

Definition of “Investment” (Article 1):

“Investment means any enterprise, asset, or commitment made for the purpose of carrying out investment activities in the territory of a Party, as recognized under that Party’s laws and regulations. For greater certainty, this Protocol is confined to administrative and procedural measures to ease investment and does not grant market access, protection, or investor–State dispute settlement rights.”

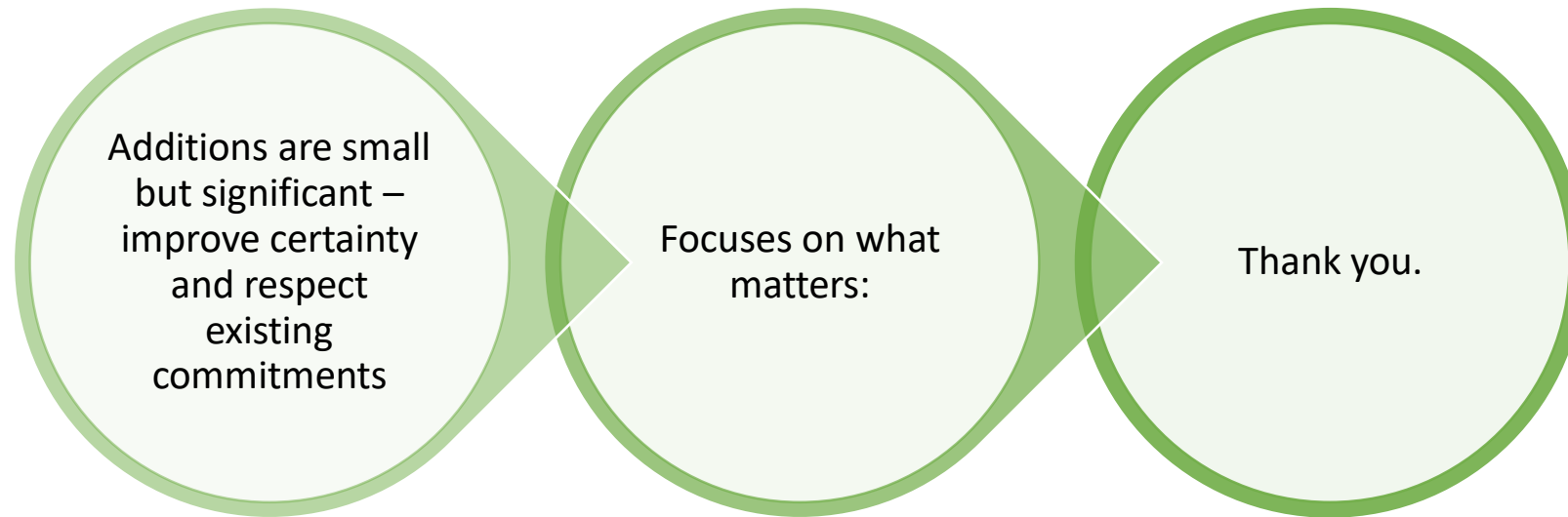
Flexibility for non-WTO members (Article 4):

“Where a Party is not a WTO member or does not maintain sectoral schedules, the Party may publish its current domestic regime or a general statement and provide contact points for enquiries.”

Respecting bilateral agreements (Article 2):

“Nothing in this Protocol shall be construed to derogate from or modify rights and obligations arising under existing bilateral or regional investment agreements between the Parties. Where terms overlap, the provisions of such agreements shall prevail to the extent of inconsistency.”

Key Takeaways & Closing



- Address potential gaps before they become problems
- Reinforce that facilitation is about service and clarity, not new rights or protections
- Today's text is not rewritten but confirmed – reflects priorities from June

- Investor confidence in procedures
- Better coordination and governance
- Visible impact: clearer portals, faster responses, predictable processes