

**OPTIONS FOR A FRAMEWORK MODALITY TOWARDS PHASED REDUCTION AND ELIMINATION OF INVESTMENT RESTRICTIONS/IMPEDIMENTS****PROJECT DESCRIPTION**

To achieve free flow of investment, ASEAN is intensifying its efforts to create a more favourable environment for investment in the region with the signing of the ASEAN Comprehensive Investment Agreement (ACIA) in 2009. The Agreement entered into force on 29 March 2012. ACIA is the result of a consolidation of two ASEAN Investment Agreements, the 1987 ASEAN Agreement for the Promotion and Protection of Investments (ASEAN IGA) and the 1998 Framework Agreement on the ASEAN Investment Area (AIA) as well as its related protocols. The consolidation means that there is one single comprehensive investment agreement covering the manufacturing, agriculture, fishery, forestry, and the mining and quarrying sectors, and services incidental to these five sectors. The ASEAN Leaders adopted the Master Plan on ASEAN Connectivity in October 2010 which identified the development of a framework/modality towards the Phased Reduction and Elimination of Scheduled Investment Restrictions/Impediments as a prioritised project.

MAIN OBJECTIVES, OUTPUTS AND ACTIVITIES

The main objective of this project is to achieve free and open investment through progressive liberalisation whereby ASEAN Member States are obliged to start progressive reduction/eliminating investment restrictions and impediments. This objective shall be delivered through actions which are outlined under the four pillars of the ACIA, i.e., (1) Investment Protection, (2) Facilitation and Cooperation, (3) Promotion and Awareness, and (4) Liberalisation.

The ASEAN Economic Minister (AEM)-14th AIA Council Meeting in August 2011 has endorsed the "Modality for the Elimination/ Improvement of Investment Restrictions and Impediments", which will govern ASEAN's future work on progressive investment liberalisation.

The publication of the ACIA Guidebook/Handbook and promotion and outreach activities are also being planned and will be implemented with the support from ASEAN partners.

PROJECT STATUS

The modality was endorsed by the ASEAN Economic Ministers in August 2011. Funding will be required to implement an investment liberalisation and facilitation programme based on the modality endorsed.

TARGET COMPLETION DATE

December 2015

IMPLEMENTING BODIES

ASEAN Investment Area (AIA) Council, ASEAN Coordinating Committee on Investment (CCI)

CONTACT PERSON

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BENEFICIARIES

On one hand, ACIA will promote ASEAN as an integrated investment area and production network. On the other hand, ACIA will provide enhanced protection to all investors and their investments as it will bring about a more transparent, consistent and predictable investment rules, regulations, policies and procedures that benefit investors.