

**The American Institute in Taiwan (AIT) and Taipei Economic and
Cultural Representative Office in the United States (TECRO)
Joint Statement on Principles for International Investment**

Creating and maintaining open and stable investment climates and policies contributes to sustainable economic development and growth, job creation, increased productivity, technological innovation, and competitiveness. The American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO), on behalf of the authorities they represent, therefore reaffirm a shared commitment to the following principles regarding international investment, which AIT and TECRO believe are essential elements for developing and maintaining open investment policies worldwide. AIT and TECRO believe that economies can fully implement these principles while still preserving the authority to adopt and maintain measures necessary to regulate in the public interest to pursue certain public policies. AIT and TECRO further believe that economies should not seek to attract foreign investment by weakening or failing to apply such measures.

- 1. Open and Non-Discriminatory Investment Climates:** Economies should commit, subject to limited exceptions, to provide broad market access to foreign investors and allow them to establish investments and conduct business on terms no less favorable than those available to domestic investors or other foreign investors.
- 2. A Level Playing Field:** Economies should seek to enhance their understanding of the concrete challenges posed by the influence of authorities in relation to commercial enterprises, which is playing an increasingly significant role in the global economy, and work to coordinate their approaches to address these challenges. To this end, AIT and TECRO support the work of the Organization for Economic Cooperation and Development (OECD) in the area of “competitive neutrality”, which focuses on the importance of enterprises owned by authorities and private commercial enterprises being subject to the same external environment and competing on a level playing field in a given market.
- 3. Strong Protection for Investors and Investments:** Economies should provide the highest possible level of legal certainty and protection against discriminatory, arbitrary, and otherwise unfair or harmful treatment to all investors and investments in their territories, both tangible and intangible, such as intellectual

property rights. This includes the right to prompt, adequate, and effective compensation in the event of a direct or indirect expropriation or nationalization.

- 4. Fair and Binding Dispute Settlement:** Economies should provide access to effective dispute settlement procedures, including “investor-to-State” arbitration, and ensure that such procedures are open and transparent, with opportunities for public participation.
- 5. Robust Transparency and Public Participation Rules:** Economies should ensure the highest levels of transparency and public participation in the development of domestic laws and other measures relating to investment.
- 6. Responsible Business Conduct:** Economies should urge that multinational enterprises operate in a socially responsible manner. To this end, AIT and TECRO intend to promote responsible business conduct, in general, and adherence to the OECD Guidelines for Multinational Enterprises, in particular.
- 7. Narrowly-Tailored Reviews of National Security Considerations:** Economies should ensure that their reviews, if any, of the national security implications of foreign investments focus exclusively on genuine national security risks.