



ASEAN COMPREHENSIVE INVESTMENT AGREEMENT

AN INTRODUCTION



one vision
one identity
one community

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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ASEAN - AUSTRALIA DEVELOPMENT COOPERATION PROGRAM (AADCP) PHASE II

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Background and Rationale

- The ASEAN Comprehensive Investment Agreement (ACIA) took effect on 29 March 2012.
- It is ASEAN's instrument to create a free and open investment regime/environment in the context of an integrated economic community.
- It is ASEAN's response to increasing global competition. With its comprehensive, balanced and improved features, ACIA aims to enhance the attractiveness of ASEAN as a single investment destination.



Relation with Precursor Agreements

- ACIA replaces its precursor agreements, namely: the ASEAN Investment Area (AIA) and the ASEAN Investment Guarantee (IGA) Agreements and its subsequent Protocols.
- The transition period and options apply to investors whose investments fall within the ambit of the ASEAN IGA and AIA Agreements.



Economic Benefits

- ACIA is expected to:
 - Create a more conducive business/investment environment.
 - Encourage investors who are not yet in ASEAN to do business in the region.
 - Provide greater confidence among current investors in the region to continue and expand their investment in ASEAN.
 - Increase intra-ASEAN investment and encourage greater industrial complementation and specialisation among the Member States of ASEAN.



Key Features

- Based on international best practices
 - Has comparable provisions on liberalisation and protection
 - Adopts a single negative list approach on reservations with provision for further progressive liberalisation
- Has a balanced-focus
 - Covers the four pillars of liberalisation, protection, promotion, and facilitation
- Re-affirms provisions of precursor agreements
 - Re-affirms the national treatment and most-favored-nation treatment obligations
- Builds upon and improves on precursor agreements



Coverage

- Scope covers almost all forms of investment¹
- Immediate benefits apply to both ASEAN and ASEAN-based investors
 - ASEAN-based investors can now enjoy the benefit of non-discriminatory treatment
- Liberalisation provisions cover manufacturing, agriculture, fishery, forestry, mining and quarrying, and services incidental to these sectors²
- Protection provisions apply to all sectors



Improved Provisions

- Clearer alignment of relevant provisions on liberalisation and protection
- Clearer and transparent provisions for obtaining approval and transfers
- Comprehensive and clearer definitions in line with international investment agreements
- Comprehensive mechanism on Investor-State Dispute Settlement
- Expanded scope and application

Endnotes

1. *Member States can make reservations in the ACIA Schedule of Reservations.*
2. *Liberalisation of services sectors (Commercial Presence/Mode 3) is covered under the ASEAN Framework Agreement on Services (AFAS).*

