










Procedure file

Basic information		
NLE - Non-legislative enactments Decision	2018/0095M(NLE)	Procedure completed
EU/Singapore Investment Protection Agreement		
Accompanying procedure 2018/0095(NLE)		
Subject 6.20.03 Bilateral economic and trade agreements and relations 6.20.06 Foreign direct investment (FDI)		
Geographical area Singapore		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 MARTIN David	16/05/2018
		Shadow rapporteur	
		 KELLY Seán	
		 KAMALL Syed	
		 BALCELLS Ramon	
		 JADOT Yannick	
	 BEGHIN Tiziana		
Council of the European Union European Commission	Commission DG Trade	Commissioner MALMSTRÖM Cecilia	

Key events			
05/07/2018	Committee referral announced in Parliament		
13/09/2018	Committee referral announced in Parliament		
24/01/2019	Vote in committee		
	Committee report tabled for plenary		Summary

30/01/2019		A8-0049/2019	
12/02/2019	Debate in Parliament		
13/02/2019	Results of vote in Parliament		
13/02/2019	Decision by Parliament	T8-0091/2019	Summary
13/02/2019	End of procedure in Parliament		

Technical information

Procedure reference	2018/0095M(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Motion for a resolution under consent procedure
Legislative instrument	Decision
Legal basis	Rules of Procedure EP 105-p2
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/13726

Documentation gateway

Committee draft report	PE627.754	16/10/2018	EP	
Amendments tabled in committee	PE630.485	13/11/2018	EP	
Committee report tabled for plenary, single reading	A8-0049/2019	30/01/2019	EP	Summary
Text adopted by Parliament, single reading	T8-0091/2019	13/02/2019	EP	Summary
Commission response to text adopted in plenary	SP(2019)327	17/07/2019	EC	

EU/Singapore Investment Protection Agreement

The Committee on International Trade adopted the report by David MARTIN (S&D, UK) containing a motion for a non-legislative resolution on the draft Council decision on the conclusion on behalf of the European Union of the Investment Protection Agreement between the European Union and its Member States, of the one part, and the Republic of Singapore, of the other part.

As a reminder, Singapore is the eighth largest destination for EU foreign direct investment and the first in the ASEAN region. It is the number one location for European investment in Asia, with bilateral investment stocks reaching EUR 256 billion in 2016.

This is the first investment protection only agreement concluded between the EU and a third country following discussions among the institutions on the new architecture of EU FTAs. In the light of the EU's new approach to investment protection and its enforcement mechanism, the investment court system (ICS), in 2017 Singapore agreed to review the investment protection provisions negotiated in 2014, thereby re-opening a closed agreement.

The agreement will replace the existing bilateral investment treaties between 13 EU Member States and Singapore, which do not include the EU's new approach to investment protection and its enforcement mechanism (ICS).

Overall, Members welcome the EU's new approach to investment protection and its enforcement mechanism (ICS), which replace both the controversial investor-to-state dispute settlement (ISDS), addressing some of its flaws in the process, and the individual approaches followed by the EU Member States in existing bilateral investment treaties (BITs).

The new agreement will ensure a high level of investment protection, transparency and accountability, while safeguarding the right to regulate at all governmental levels and pursue legitimate public policy objectives for both Parties, such as public health and environmental protection.

Members regretted, however, the lack of provisions on investor responsibilities and highlighted, in this context, the importance of corporate social responsibility.

They called on the Commission to consider legislation similar to that on conflict minerals and timber, such as for the garment industry. They also noted the lack of a global approach to corporations compliance with human rights law and of available remedy mechanisms.

Members recalled that the ICS envisages the establishment of a Permanent Investment Tribunal of First Instance and an Appellate Tribunal, whose members will have to possess comparable qualifications to those held by judges of the International Court of Justice, including expertise in public international law and not just commercial law, and will have to satisfy strict rules of independence, integrity and ethical

behaviour through a binding code of conduct designed to prevent conflicts of interests.

Stronger sanctions in the event that a member of the tribunals not complying with the code of conduct should be put in place.

Lastly, Members considered that the approval of this agreement will give the EU more leverage to negotiate similar agreements with the other ASEAN countries with a view to establishing similar rules on investment protection throughout the region.

EU/Singapore Investment Protection Agreement

The European Parliament adopted by 427 votes to 187, with 49 abstentions, a non-legislative resolution on the draft Council decision on the conclusion, on behalf of the European Union, of an investment protection agreement between the European Union and its Member States, of the one part, and the Republic of Singapore, of the other part.

Singapore is by far the EU's largest trading partner in South East Asia and accounts for just under one third of EU-ASEAN trade in goods and services and about two thirds of all investment between the two regions. Singapore is the leading destination for European investment in Asia, with bilateral investment stocks reaching EUR 256 billion in 2016.

This is the first investment protection only agreement concluded between the EU and a third country following discussions among the institutions on the new architecture of EU FTAs.

The agreement will replace the 13 bilateral agreements currently in force between EU Member States and Singapore, which do not include the new European approach to investment protection and its enforcement mechanism, the Investment Court System (ICS).

Overall, Parliament welcomed the EU's new approach to investment protection and its enforcement mechanism (ICS), which replace both the controversial investor-to-state dispute settlement (ISDS), addressing some of its flaws in the process, and the individual approaches followed by the EU Member States in existing bilateral investment treaties (BITs).

Investment protection

The new agreement will ensure a high level of investment protection, transparency and accountability, while safeguarding the right to regulate at all governmental levels and pursue legitimate public policy objectives for both Parties, such as public health and environmental protection. The agreement shall guarantee that EU investors in Singapore will not be discriminated vis-à-vis Singaporean investors and properly protects them from illegitimate expropriation.

Members regretted, however, the lack of provisions on investor responsibilities and highlighted, in this context, the importance of corporate social responsibility. The Commission is called on to consider legislation similar to that on conflict minerals and timber, such as for the garment industry. They also noted the lack of a global approach to corporations compliance with human rights law and of available remedy mechanisms

Investment court system (ICS)

Parliament recalled that the ICS envisages the establishment of a Permanent Investment Tribunal of First Instance and an Appellate Tribunal, whose members will have to possess comparable qualifications to those held by judges of the International Court of Justice, including expertise in public international law and not just commercial law, and will have to satisfy strict rules of independence, integrity and ethical behaviour through a binding code of conduct designed to prevent conflicts of interests.

The Commission is encouraged to continue its work on making the ICS more accessible, particularly for SMEs and smaller companies. Stronger sanctions in the event that a member of the tribunals not complying with the code of conduct should be put in place.

Lastly, Members considered that the approval of this agreement will give the EU more leverage to negotiate similar agreements with the other ASEAN countries with a view to establishing similar rules on investment protection throughout the region.