

**ENERGY CHARTER  
SECRETARIAT**

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Brussels, 3-4 December 1998

Related documents: CC 131, CC 137
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**DECISION OF THE ENERGY CHARTER CONFERENCE**

**Subject:      **Review of Standstill and Rollback of Pre-Investment Exceptions****

The Conference noted the information provided on this issue by the Secretariat and approved the conclusions recommended by the November 1998 Investment Survey Group [attached as Annex.]

Reference was made to the updated version of the Blue Book (Non-Conforming Measures Maintained by a Contracting Party and Any Commitments with Regard to Them), which will be made generally available in due course.

Keywords:      Investment Survey Group, Pre-Investment Exceptions

**Conclusions recommended by the November 1998  
Investment Survey Group**

[as adopted by the Energy Charter Conference  
at its 2<sup>nd</sup> Meeting held on 3–4 December 1998]

The Conference concluded:

- that the November 1998 Survey has shown steps towards liberalisation and transparency, and that there is positive evidence that the rollback on exceptions is occurring as part of the transition to market economy. The Conference in particular noted the rollback of the exceptions to land and real estate by Hungary and Moldova and the resale restrictions previously notified by Latvia and Estonia, as well as Kyrgyzstan with respect to export monopoly;
- that 12 countries have no exceptions.
- that the Survey sessions held throughout the period reviewed have revealed a satisfactory development in that there has been no significant departure from the treatment standard in Article 10(5)(a) of the ECT, and that the November Survey session did not identify any economically relevant case where a new measure decreased the conformity of the measure with the non-discrimination standard;
- that the new measures related to the process of privatisation would be covered by the explicit political understanding on how to handle first stage privatisations for countries listed in Annex T.
- that other new measures related primarily to registration and screening, were limited in numbers as well as with regard to their potential impact on the Making of Investments in the energy sector.

With respect to the two new measures introducing exceptions to MFN not covered by Articles 24 and 25 of the ECT the Conference, while noting that those measures constituted a commendable move towards liberalisation, encouraged Contracting Parties to refrain from introducing new MFN exceptions in the future.