

# Tuvalu

---

RISK & COMPLIANCE REPORT

DATE: March 2018

**Executive Summary - Tuvalu**

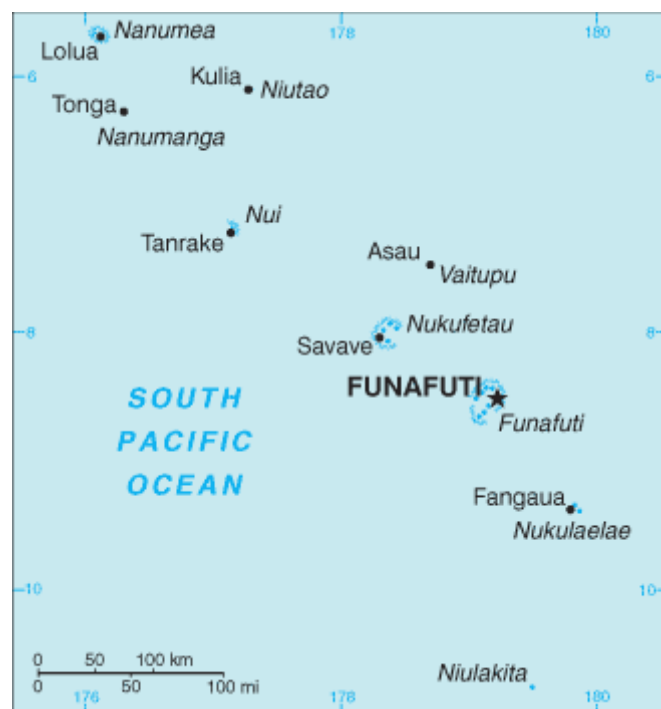
<b>Sanctions:</b>	None
<b>FATF list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	Not on EU White list equivalent jurisdictions
<b>Medium Risk Areas:</b>	Compliance with FATF 40 + 9 Recommendations (no evaluation yet undertaken) Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score)
<b>Major Investment Areas:</b> <b>Agriculture - products:</b> coconuts; fish <b>Industries:</b> fishing, tourism, copra <b>Exports - commodities:</b> copra, fish <b>Imports - commodities:</b> food, animals, mineral fuels, machinery, manufactured goods	

## Contents

<b>Section 1 - Background .....</b>	<b>3</b>
<b>Section 2 - Anti – Money Laundering / Terrorist Financing .....</b>	<b>4</b>
FATF status.....	4
Compliance with FATF Recommendations.....	4
International Sanctions.....	5
Bribery & Corruption.....	6
<b>Section 3 - Economy .....</b>	<b>7</b>
<b>Section 4 - Government.....</b>	<b>7</b>
<b>Methodology and Sources .....</b>	<b>9</b>

## Section 1 - Background

In 1974, ethnic differences within the British colony of the Gilbert and Ellice Islands caused the Polynesians of the Ellice Islands to vote for separation from the Micronesians of the Gilbert Islands. The following year, the Ellice Islands became the separate British colony of Tuvalu. Independence was granted in 1978. In 2000, Tuvalu negotiated a contract leasing its Internet domain name ".tv" for \$50 million in royalties over a 12-year period.



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

Tuvalu is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

### Compliance with FATF Recommendations

Tuvalu has not yet undertaken a Mutual Evaluation relating to the implementation of anti-money laundering and counter-terrorist financing standards.

### EU White list of Equivalent Jurisdictions

Tuvalu is not on the EU White list of Equivalent Jurisdictions

### World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

### Failed States Index

[To view Failed States Index Ctrl + Click here](#)

### Offshore Financial Centre

Tuvalu is not considered to be an Offshore Financial Centre

## International Sanctions

None Applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	59

### Section 3 - Economy

Tuvalu consists of a densely populated, scattered group of nine coral atolls with poor soil. Only eight of the atolls are inhabited. It is one of the smallest countries in the world, with its highest point at 4.6 meters above sea level. The country is isolated, almost entirely dependent on imports, particularly of food and fuel, and vulnerable to climate change and rising sea levels, which pose significant challenges to development.

The public sector dominates economic activity. Tuvalu has few natural resources, except for its fisheries. Earnings from fish exports and fishing licenses for Tuvalu's territorial waters are a significant source of government revenue. In 2013, revenue from fishing licenses doubled and totalled more than 45% of GDP.

Official aid from foreign development partners has also increased. Tuvalu has substantial assets abroad. The Tuvalu Trust Fund, an international trust fund established in 1987 by development partners, has grown to \$141 million in 2013 and is an important cushion for meeting shortfalls in the government's budget. While remittances are another substantial source of income, the value of remittances has declined since the 2008-2009 global financial crisis. Growing income inequality is one of many concerns for the nation.

#### **Agriculture - products:**

coconuts; fish

#### **Industries:**

Fishing

#### **Exports - commodities:**

copra, fish

#### **Imports - commodities:**

food, animals, mineral fuels, machinery, manufactured goods

### Section 4 - Government

#### **Chiefs of State and Cabinet Members:**

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

#### **Legal system:**

mixed legal system of English common law and local customary law



**International organization participation:**

ACP, ADB, AOSIS, C, FAO, IBRD, IDA, IFRC (observer), ILO, IMF, IMO, IOC, ITU, OPCW, PIF, Sparteca, SPC, UN, UNCTAD, UNESCO, UNIDO, UPU, WHO

## Methodology and Sources

### Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

### Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes

### **Section 3 - Economy**

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

### **Section 4 - Foreign Investment**

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

### **Section 6 - Tax**

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

## **DISCLAIMER**

Part of this report contains material sourced from third party websites. This material could include technical inaccuracies or typographical errors. The materials in this report are provided "as is" and without warranties of any kind either expressed or implied, to the fullest extent permissible pursuant to applicable law. Neither are any warranties or representations made regarding the use of or the result of the use of the material in the report in terms of their correctness, accuracy, reliability, or otherwise. Materials in this report do not constitute financial or other professional advice.

We disclaim any responsibility for the content available on any other site reached by links to or from the website.

## **RESTRICTION OF LIABILITY**

Although full endeavours are made to ensure that the material in this report is correct, no liability will be accepted for any damages or injury caused by, including but not limited to, inaccuracies or typographical errors within the material, Neither will liability be accepted for any damages or injury, including but not limited to, special or consequential damages that result from the use of, or the inability to use, the materials in this report. Total liability to you for all losses, damages, and causes of action (in contract, tort (including without limitation, negligence), or otherwise) will not be greater than the amount you paid for the report.

## **RESTRICTIONS ON USE**

All Country Reports accessed and/or downloaded and/or printed from the website may not be distributed, republished, uploaded, posted, or transmitted in any way outside of your organization, without our prior consent. Restrictions in force by the websites of source information will also apply.

We prohibit caching and the framing of any Content available on the website without prior written consent.

Any questions or queries should be addressed to: -

Gary Youinou

Via our [Contact Page](#) at KnowYourCountry.com