

Antigua & Barbuda

RISK & COMPLIANCE REPORT

DATE: October 2018

Executive Summary - Antigua and Barbuda

Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	Non - Compliance with FATF 40 + 9 Recommendations US Dept of State Money Laundering Assessment Not on EU White list equivalent jurisdictions Offshore Finance Centre
Medium Risk Areas:	Failed States Index (Political Issues) (Average Score)
Major Investment Areas: Agriculture - products: cotton, fruits, vegetables, bananas, coconuts, cucumbers, mangoes, sugarcane; livestock Industries: tourism, construction, light manufacturing (clothing, alcohol, household appliances) Exports - commodities: petroleum products, bedding, handicrafts, electronic components, transport equipment, food and live animals Imports - commodities: food and live animals, machinery and transport equipment, manufactures, chemicals, oil	
Investment Restrictions: The Government of Antigua and Barbuda strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens. The service sector holds large potential for growth, especially in the areas of tourism, medical tourism, and offshore education. Additional sectors which have room for growth include financial services, information technology, education manufacturing and logistics.	

Contents

Section 1 - Background 3

Section 2 - Anti – Money Laundering / Terrorist Financing 4

FATF status 4

FATF Statement re AML Strategic Deficiencies:.....**Error! Bookmark not defined.**

Compliance with FATF Recommendations 4

Key Findings from latest Mutual Evaluation Follow – Up Report (2012):..... 4

US Department of State Money Laundering assessment (INCSR) 8

Reports..... 12

International Sanctions..... 14

Bribery & Corruption..... 15

Corruption and Government Transparency - Report by US State Department 15

Section 3 - Economy 16

Stock Exchange..... 16

Section 4 - Investment Climate..... 17

Section 5 - Government..... 32

Section 6 - Tax..... 33

Methodology and Sources..... 35

Section 1 - Background

The Siboney were the first people to inhabit the islands of Antigua and Barbuda in 2400 B.C., but Arawak Indians populated the islands when COLUMBUS landed on his second voyage in 1493. Early Spanish and French settlements were succeeded by an English colony in 1667. Slavery, established to run the sugar plantations on Antigua, was abolished in 1834. The islands became an independent state within the British Commonwealth of Nations in 1981.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Antigua & Barbuda is no longer on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Antigua & Barbuda was undertaken by the Financial Action Task Force (FATF) in 2018. According to that Evaluation, Antigua & Barbuda was deemed Compliant for 9 and Largely Compliant for 23 of the FATF 40 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations. It was deemed Highly Effective for 0 and Substantially Effective 0 of the Effectiveness & Technical Compliance ratings.

Key Findings from latest Mutual Evaluation (2018):

Antigua and Barbuda, with the use of the World Bank Risk Assessment Tool, had identified and assessed its ML/FT risks and the Assessors were satisfied that there is a reasonable understanding of these risks by the jurisdiction. It should be noted that the exercise was only concluded one month prior to onsite assessment, and at the time of the assessment the country had yet to develop a corresponding policy to address the findings and conclusions of the exercise or prioritise actions.

The mechanisms for cooperation and coordination exist in Antigua and Barbuda, however they are not being fully utilized by the domestic competent authorities to develop evidence and trace criminal proceeds related to ML, predicate offences and terrorist financing leading to confiscation.

Licensing controls are generally robust for commercial banks, international banks which are otherwise preferred to as offshore banks, insurance companies, Money Services Business (MSBs), Credit Unions, Trust Business, Corporate Services Providers (CSP), casinos and internet gambling and sports betting operations, with the FSRC and ECCB conducting a variety of checks at application and on an ongoing basis. However, fit and proper requirements are not employed consistently.

There is no licensing or registration process for the following entities: Pawning; Real Property Business; Dealers in Precious Metals, Art or Jewellery; Car Dealerships; and Travel Agents.

AML/CFT supervision is not consistent across the Designated Non-Financial Businesses and Professions (DNFBP) sector and far less coverage is provided as compared to the FIs. As with the FIs the authorities have not demonstrated that institutions are reviewed based on their ML/FT risks. Further the examinations appear to be rules-based rather than on a risk-based approach.

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Antigua and Barbuda has a range of remedial measures that can be imposed on financial institutions. However, application of these measures has been limited and ineffective.

Financial sector supervisors are well-respected and Financial Institutions (FIs) welcome the close contact they have on a regular basis. The Guidelines produced by the ONDCP are comprehensive.

IBCs and other legal persons do not consistently extend the obligation to ascertain the identity of Beneficial Owners to identifying the natural person who is the Ultimate Beneficial Owner.

There is a high level of understanding of ML/TF risks among the Banking sector but this is varied in other sectors.

The Banking sector has formally adopted a risk-based approach to AML/CFT mitigation. Implementation of a risk-based approach to AML/CFT mitigation for all other FIs and DNFBPs is low.

FIs and DNFBPs do not consistently refuse business where CDD information is incomplete. EDD and mitigation measures for PEPs and other high-risk customers are not consistently applied by FIs and DNFBPs for all customers, particularly in the case of legacy customers.

The quality and levels of SARs reported by FIs and particularly by DNFBPs is low.

Financial intelligence and other information generated by Office of National Drug and Money Laundering Control Policy (ONDCP) can be accessed and are used by the relevant competent authorities

Investigations conducted by the RPFAB are predominantly with regards to drug trafficking offences, cash seizure investigations and at a minimum extent related to ML. Investigations conducted by the ONDCP into predicate offences also involves parallel financial investigations to determine whether there is evidence of ML offences.

The analysis conducted by the ONDCP is spontaneously disseminated to the RPFAB (Royal Police Force of Antigua and Barbuda) through a formal arrangement. There is dissemination of information to other competent authorities namely the IRD (Inland Revenue Department) CED (Customs and Excise Department) and the FSRC (Financial Services and Regulatory Commission). The security and protection of confidentiality materials used and exchanged is a high priority for the competent authorities.

ML investigations are being conducted by the competent authorities in Antigua and Barbuda. The ONDCP has prosecuted stand-alone ML matters. However, third party money laundering although investigated has not been prosecuted. The country has identified and prosecuted predicate offences. The ONDCP conducts financial investigations into reports of cash seizures to determine whether ML can be established at the criminal standard of beyond a reasonable doubt and in instances when it is determined that evidence is not sufficient to reach the criminal standard, civil cash provisions are then utilized. ML prosecutions are not generally pursued when there is a substantial amount of cash seized by the RPFAB. ML prosecutions by both the ONDCP and RPFAB are low.

The country has identified and prosecuted predicate offences and stand-alone ML.

The civil asset recovery procedures under the POCA have not been utilized in cases when ML convictions are not secured. However, civil forfeiture and civil cash forfeiture under the MLPA have been utilized to a large extent with significant success.

Antigua and Barbuda generally provides timely mutual legal assistance and facilitates extradition in keeping with the laws of Antigua and Barbuda. The country provides formal and informal cooperation to other countries in combating ML/TF.

There are clear guidelines to address the identified TF risks. However, the competent authorities have limited experience in the investigations and prosecutions of terrorist financing.

Sanctions on UNSCR 1373 have not been fully addressed with regard to the designation of targeted financial sanctions for specific persons and organisations when requested by another country.

The country has been unable to identify whether there are Non-profit Organisations (NPOs), as defined by the recommendations, which pose a threat of TF and ensure that appropriate measures are in place to mitigate this risk.

Risks and General Situation

Antigua and Barbuda is strategically located in the chain of islands which comprises the Caribbean. The area of Antigua is 108 square miles, while Barbuda is 62 square miles. The population as at 2015 was 91,818 and the capital and largest port and city is St. John's, on Antigua. The twin island is located in the middle of the Leeward Islands in the Eastern Caribbean, roughly 17 degrees north of the equator. To the south are the islands of Montserrat and Guadeloupe, and to the north and west are Nevis, St. Kitts, St. Barts, and St. Martin. Antigua and Barbuda is a member of the Eastern Caribbean Currency Union (ECCU). The Eastern Caribbean Central Bank (ECCB) issues a common currency (the East Caribbean dollar "EC") for all members of the ECCU. With that ECCB has responsibility for managing monetary policy and regulates and supervises commercial banking activities. The GDP of the country was estimated to have grown by 4.3%, in 2016, when compared to the previous year according to the ECCB; this was due to buoyancy in the hotels and restaurants; construction; and wholesale and retail and trade sectors.

Antigua and Barbuda's financial sector includes six (6) domestic banks, 12 international banks which are otherwise referred to as offshore banks, 20 insurance companies, one (1) international insurance company, four (4) MSBs and six (6) credit unions, with total assets in excess of US\$4.6 billion. The eight (8) internet gaming and sports betting businesses reported an asset size of US\$ 104 million at the end of 2016. Overall, the financial services sector is varied in terms of the assets size of the various types of FIs operating in Antigua and Barbuda. The total size of industry, excluding domestic banks, is about USD \$2.4 billion relative to balance sheet assets and USD\$ 0.5 billion in relation to off balance assets. This is largely attributable to International Banks which constitutes the offshore sector. One International Bank accounted for about half of the total figure and is therefore regarded by the Financial Services Regulatory Commission as a systemically important financial institution (SIFI).

With respect to AML/CFT there is a clear and high level of political commitment to the identification and mitigation of money laundering and terrorist financing (ML/TF) risk within the country. There is some degree of enforcement in Antigua and Barbuda and great efforts have been made to enact new legislation to combat ML/TF and to implement the international standards.

Antigua and Barbuda has undertaken a National Risk Assessment. At the time of the on-site visit, the exercise and a draft report had been completed demonstrating the understanding on the AML/CFT risk situation through a comprehensive presentation. The ML/TF risks identified in terms of threats, were: 1) drug trafficking, due to its location and porous borders; also the country is considered a major international hub for the trans-shipment of drugs. 2) breaking and entering, larceny, fraud, money laundering and corruption (both domestic and international). Being an offshore centre and a cash-based economy was also an identifiable ML/TF risk for Antigua and Barbuda but the specific risk factors were not expounded upon. The country reported that the money laundering threat appears to be in relation to the proceeds of external criminal activity and the vulnerability to such activity being the offshore banking sector. Drug trafficking has been cited as the leading concern. Money laundering, narcotics trafficking, breaking and entering, larceny, fraud and corruption are major threats in the country. The risks associated to NPO sector are not adequately understood and mitigated. Terrorism has been identified as a low risk within the NRA. There have been no investigations conducted into terrorist activities and a small number into terrorist financing which is consistent with the NRA rating. Proliferation of Weapons of Mass Destruction (PWMD) has been criminalized. However, targeted sanctions have not been addressed or implemented by the Authorities.

In terms of vulnerabilities in the financial sector, the most vulnerable sectors are International Banks, Money Service Businesses and the Insurance Sector. In the DNFBP sector, the highest vulnerabilities were identified in Real Estate, Attorneys, Accountants, car dealerships and particularly car rentals and gaming arcades which are cash intensive. The used car market is unregulated and unsupervised, and systems have not been implemented to ensure that this market is not abused by criminals. This is of concern since the assessors noted that used cars accounted for the majority of car imports, making this part sector more significant and vulnerable to ML. NPOs are vulnerable to ML/TF due to inter alia, lack of proper supervision, and there was an inability by the jurisdiction to determine or identify those NPOs that fit the FATF definition.

Antigua and Barbuda also operates a Citizenship by Investment Program (CIP) (also known as economic citizenship) which is the granting of citizenship status to an individual (and immediate family members) contingent upon a specified and quantifiable investment in the country. The ML/TF vulnerability for the programme has been rated as medium high after conducting an assessment based on interviews to various stakeholders including Attorneys, registering agents, and persons involved in the application process at the Citizenship by Investment Unit (CIU). The legal framework enacted, the internal governance structure and the due diligence process were identified as mitigating factors. The contributing factors were limited to lack of compliance supervision; there are no formal requirements to conduct ML/TF risk assessment, limited audit functions, and a lack of documented policy. The authorities have stated several recommendations to improve the programme which are being implemented, such as the CIP Agents being subjected to AML/CFT reporting, and a published report on payments received through the CIP and the implementation of an external audit.

US Department of State Money Laundering assessment (INCSR)

Antigua and Barbuda is categorised by the US State Department as a Country/Jurisdictions of Primary Concern in respect of Money Laundering and Financial Crimes.

OVERVIEW

Antigua and Barbuda has a very small free trade zone and an offshore financial center, which is an important part of the country's economy, and operates a Citizenship by Investment Program (CIP) that makes it susceptible to money laundering and other financial crimes. Antigua and Barbuda is a transit point for illegal drugs going to the United States and Europe. According to the Antiguan Office of National Drug Control and Money Laundering Policy (ONDCP), the FIU, the collaborative efforts between Antigua and Barbuda and U.S. law enforcement agencies brought about a decrease in drug trafficking activity.

VULNERABILITIES AND EXPECTED TYPOLOGIES

Money laundering, narcotics trafficking, gaming, and firearms trafficking are sources of illicit funds in the country. Funds are laundered through the purchase of real estate, vehicles, vessels, and jewelry, as well as through a variety of businesses. Money also has been laundered through wire transfers and the co-mingling of illicit funds through front operations.

In 2017, the government lowered prices for economic citizenship, halving the processing fee and the contribution to the National Development Fund (NDF). An individual is eligible for economic citizenship with a U.S. \$400,000 minimum investment in real estate, a contribution to the NDF of U.S. \$100,000, or a U.S. \$1.5 million approved business investment. Applicants must pay a processing fee of U.S. \$25,000 for a family of four, plus due diligence fees of U.S. \$7,500 for each adult applicant. Applicants must make a source of funds declaration and provide evidence supporting the declaration. Nationals of several countries, including Iran, Afghanistan, Iraq, North Korea, Somalia, and Yemen are prohibited from applying for citizenship unless they are lawful permanent residents of Canada, the United States, or the UK. The government established a Citizenship by Investment Unit (CIU) to manage the

screening and application process. The CIU does not maintain adequate autonomy from politicians to prevent political interference in its decisions. In February 2017, Antigua and Barbuda approved a CIP application for Alexandre Cazes (since deceased), the alleged operator of AlphaBay, the world's largest dark web marketplace.

Shell companies are not permitted. International companies are authorized to possess bearer shares; however, the license application requires disclosure of the names and addresses of directors (who must be natural persons), the corporation's intended activities, the names of shareholders, and number of shares they will hold. Registered agents or service providers are compelled by law to identify beneficial owners.

Casinos maintain a strong presence in the country, although the internet gaming industry has declined. According to the Financial Services Regulatory Commission (FSRC), as of October 2017, there are four internet gaming enterprises. FSRC regulates internet gaming companies, and the ONDCP maintains records of payouts over U.S. \$25,000. Regulations require internet gaming companies to incorporate as IBCs, and the majority of key managers must maintain a physical presence on the island.

Under the International Banking Act 2016, No. 6, all offshore international banks are required to pay corporate income tax; however, the government has not implemented the legislation. According to government sources, as of March 2017, there are 11 offshore international banks. In May 2017, the government passed the International Banking (Amendment) Bill 2017, which allows offshore banks to loan money to the government and its statutory bodies.

KEY AML LAWS AND REGULATIONS

Several laws were enacted or amended in 2017, including the Money Laundering (Prevention) Act 2017; Money Laundering (Prevention) (Amendment) Regulations 2017; Money Laundering (Prevention) (Amendment) (No. 2) Regulations 2017; and Money Laundering & Financing of Terrorism Guidelines update.

The country has comprehensive KYC and STR requirements and enhanced due diligence for PEPs.

Antigua and Barbuda is a member of the CFATF, a FATF-style regional body.

AML DEFICIENCIES

Antigua and Barbuda has largely achieved technical compliance with international AML standards.

There are media reports of officials allegedly involved in money laundering and corruption.

ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

Antigua and Barbuda continues to work to improve its AML regime. The country is in the process of finalizing its national risk assessment, which should be completed in the first half of 2018.

The government is considering the establishment of a court, staffed with experts in financial crimes and asset recovery, to deal expeditiously with serious crime matters.

In 2017, there was one money laundering prosecution but no convictions. Antigua and Barbuda, through ONDCP, is currently working on six civil recovery/forfeiture cases.

In 1999, the ONDCP restrained certain deposits on the grounds the funds were connected to money laundering related to acts of corruption committed by former Prime Minister of Ukraine Lazarenko. In 2016, U.S. \$66.7 million of these frozen assets were transferred to the Antiguan government's forfeiture fund, based upon a court ruling that the funds had been forfeited.

In 2016, U.S. prosecutors alleged that government officials from Antigua and Barbuda participated in a scheme involving the payout of close to U.S. \$4 million in bribes by Brazilian construction contractor Odebrecht. The corruption allegations involve two high-level officials and two offshore banks in Antigua and Barbuda. According to authorities, Antigua and Barbuda continues to investigate allegations of money laundering and, currently, there are more than U.S. \$70 million frozen in one or more offshore banks.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Antigua & Barbuda does not conform with regard to the following government legislation: -

Record Large Transactions - By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.

EU White list of Equivalent Jurisdictions

Antigua & Barbuda is not currently 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

Antigua & Barbuda is considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2017 (introduction):

Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

The seven independent countries of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines are collectively referred to in this report as the Eastern Caribbean (EC).

The region hosts abundant transshipment points for illicit narcotics, primarily from Venezuela destined for North American, European and domestic Caribbean markets. Local and international law enforcement believe traffickers are increasingly using yachts for drug transit, though "go-fast" boats, fishing trawlers, and cargo ships continue to play major transit roles.

Homicide rates throughout the region remained at levels similar to those of 2015, although there was an increase in drug-related violent and non-violent crimes (including money laundering and bulk cash smuggling). Many of the homicides that do occur are a result of turf wars between organized groups fighting for control of drug distribution. Marijuana remains the most commonly used illicit drug within the region.

Eight consecutive years of declining macroeconomic growth leave EC law enforcement capacity increasingly beleaguered. EC governments made some improvements to still-antiquated criminal codes. However, in some countries, leaders failed to address public concerns about official corruption.

B. Conclusion

The United States encourages the countries of the Eastern Caribbean to continue to embrace CBSI partnership and to fulfill their budgetary commitments to the RSS. The United States also encourages the Eastern Caribbean countries to support programming to increase regional counternarcotics operations and build regional capacity, through joint training and cooperation. The United States further encourages the seven countries to continue to pass legislation to modernize their criminal codes, making use of regional best practices in fighting transnational organized crime.

US State Dept Trafficking in Persons Report 2016 (introduction):

Antigua and Barbuda is a destination and transit country for men, women, and children subjected to sex trafficking and forced labor. Legal and undocumented immigrants from the Caribbean region, notably from Jamaica, Guyana, Haiti, and the Dominican Republic, as well as from Southeast Asia, are most vulnerable to trafficking. The trafficking in persons committee reported sex trafficking in bars, taverns, and brothels. There are anecdotal reports that children are subjected to sex trafficking, including by parents and caregivers. Forced

labor occurs in domestic service and the retail sector. Credible sources reiterated concerns of possible trafficking-related complicity by police officers, such as officials facilitating movement of a trafficking victim by receiving them at the airport, collaborating with the trafficker in the movement of a victim, and providing security for an establishment involved in trafficking. The police reported that traffickers changed tactics, remitting a greater portion of the proceeds to victims and allowing victims to keep their passports, making it difficult to investigate cases.

The Government of Antigua and Barbuda does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Despite these measures, the government did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period; therefore, Antigua and Barbuda is placed on Tier 2 Watch List for the third consecutive year. Per the Trafficking Victims Protection Act, Antigua and Barbuda was granted a waiver from an otherwise required downgrade to Tier 3 because its government has devoted sufficient resources to a written plan that, if implemented, would constitute making significant efforts to meet the minimum standards. The government amended the 2010 trafficking in persons act to remove legal obstacles to successful prosecutions, in particular by giving the high court authority for trafficking cases. The government did not report any prosecutions or convictions of traffickers, though it increased the number of investigations of suspected cases of trafficking from two to 10. Authorities identified and offered services to those who wished to stay in the country and facilitated the repatriation of those who wished to return home.

International Sanctions

None Applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	75

Corruption and Government Transparency - Report by US State Department

Allegations of corruption against government officials in Antigua and Barbuda are fairly common; however, none of the investigations of these allegations has resulted in confirmed findings. Antigua and Barbuda passed three sets of legislation related to corruption after the 2004 elections. This legislation was designed to reduce corruption and encourage good governance, as well as provide for criminal penalties for official corruption. The government generally implements these laws effectively. Antigua and Barbuda also has a Special Task Force on Crime and Corruption.

The Integrity in Public Life Act requires public officials to disclose all income, assets (including those of spouses and children), and personal gifts while in public office. The law established an Integrity Commission, appointed by the governor general, to receive and investigate complaints regarding noncompliance with or contravention of any provisions of this law or the Prevention of Corruption Act.

The Freedom of Information Act gives citizens the statutory right to access official documents from public authorities and agencies, and it created a commissioner to oversee the process. In practice citizens have found it difficult to obtain documents, possibly due to government funding constraints rather than obstruction.

Antigua and Barbuda is party to the Inter-American Convention Against Corruption and its follow-up mechanism. In 2006, it acceded to the United Nations Convention against Corruption.

Section 3 - Economy

Tourism continues to dominate Antigua and Barbuda's economy, accounting for nearly 60% of GDP and 40% of investment. The dual-island nation's agricultural production is focused on the domestic market and constrained by a limited water supply and a labor shortage stemming from the lure of higher wages in tourism and construction. Manufacturing comprises enclave-type assembly for export with major products being bedding, handicrafts, and electronic components.

After taking office in 2004, the SPENCER government adopted an ambitious fiscal reform program and was successful in reducing its public debt-to-GDP ratio from approximately 130% in 2010 to 89% in 2012. In 2009, the country's economy was severely hit by the global economic crisis and suffered from the collapse of its largest private sector employer, a steep decline in tourism, a rise in debt, and a sharp economic contraction between 2009 and 2011. The country has not yet returned to its pre-crisis growth levels.

Prospects for economic growth in the medium term will continue to depend on tourist arrivals from the US, Canada, and Europe and potential damages from natural disasters.

Agriculture - products:

cotton, fruits, vegetables, bananas, coconuts, cucumbers, mangoes, sugarcane; livestock

Industries:

tourism, construction, light manufacturing (clothing, alcohol, household appliances)

Exports - commodities:

petroleum products, bedding, handicrafts, electronic components, transport equipment, food and live animals

Imports - commodities:

food and live animals, machinery and transport equipment, manufactures, chemicals, oil

Stock Exchange

The Eastern Caribbean Securities Exchange (ECSE) is the first regional securities market in the Western Hemisphere, established by the Eastern Caribbean Central Bank to serve the eight (8) member states of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat; St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines. It is headquartered on the island of St. Kitts. It has been in operation since 1971, and the ECSE currently lists securities for about 14 companies.

Executive Summary

Antigua and Barbuda is one of the more developed countries in the Eastern Caribbean with an estimated Gross Domestic Product (GDP) of USD 1.12 billion (2015). Antigua and Barbuda is a member of the Organization of Eastern Caribbean States (OECS) and the Eastern Caribbean Currency Union (ECCU). According to the Eastern Caribbean Central Bank (ECCB), Antigua and Barbuda's economy is expected to grow by 3.23% in 2016. During the last fiscal year, Antigua and Barbuda's economy remains buoyant due to falling oil prices, increased tourist arrivals and revenue from the Citizenship by Investment program. However, some fiscal challenges remain particularly in the area of debt servicing. The current government is committed to create an enhanced business climate to attract more foreign investment to the country. Antigua and Barbuda is currently ranked 104th out of 189 countries in the World Bank's Ease of Doing Business report 2015 after falling five places from its 2015 ranking.

- The Government of Antigua and Barbuda is pursuing investment in niche markets, particularly tourism, international financial services, offshore education, agro-processing, light manufacturing, real estate & construction and information & communication technology (ICT). These sectors present the more immediate opportunities for U.S. investment in Antigua and Barbuda.
- The United States and Antigua and Barbuda are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes. The United States and Antigua and Barbuda brought a case before the WTO, and the WTO ruled in favor of Antigua and Barbuda.
- Antigua and Barbuda bases its legal system on the British common law system. There is an ongoing dispute regarding expropriation of an American-owned property. In November 2015, the Government of Antigua and Barbuda (GOAB) paid the property owners the amount of \$16 million towards the \$41.7 million owed. The owner noted that the GOAB paid down the principal of the expropriation (\$23 million), requiring the GOAB to pay less accumulated interest. The owner intends to continue battling the GOAB in court. For this reason, while the Government of Antigua and Barbuda is trying to meet its legal responsibilities, the U.S. Embassy in Bridgetown recommends continued caution when investing in real estate in Antigua and Barbuda.
- Antigua and Barbuda has bilateral investment treaties with Germany and the United Kingdom. Antigua and Barbuda also signed free trade agreements with Costa Rica and the Dominican Republic but the agreements have not entered into force. Antigua and Barbuda has double taxation agreements with Denmark, Norway, Sweden, and the United Kingdom.

Table 1

Measure	Year	Index or Rank	Website Address
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TI Corruption Perceptions index	2015	not ranked of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2016	104 of 189	doingbusiness.org/rankings
Global Innovation Index	2015	not ranked of 143	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country (\$M USD, stock positions)	2015	USD \$2million	http://www.bea.gov/international/
World Bank GNI per capita	2014	USD \$ 13,300	data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Antigua and Barbuda strongly encourages foreign direct investment, particularly in industries that create jobs, enhance economic activity, earn foreign currency, and have a positive impact on its citizens.

Through the Antigua and Barbuda Investment Authority (ABIA), the Government of Antigua and Barbuda has a number of incentive programs in place to attract foreign investment. Currently, these packages are based on the size of capital investment and the economic impact that it will have on the country. Tourism, real estate and construction, agro-processing, ICT and international financial services are the largest sectors in the Antigua and Barbuda economy.

Other Investment Policy Reviews

In 2014, the OECS of which Antigua and Barbuda is a member conducted a trade policy review through the World Trade Organization. This report, which speaks to the general investment climate in Antigua and Barbuda, can be found at: https://www.wto.org/english/tratop_e/tpr_e/tp399_e.htm.

Laws/Regulations on Foreign Direct Investment

The main laws concerning foreign investment in Antigua and Barbuda include the Investment Authority Act (2006), the Fiscal Incentive Acts, The Tourism and Business Special Incentives Act (2014) and the Free Trade Zone Act. There are no limits on foreign ownership or control.

The government treats foreign investors and local investors equally with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investment in its territory. The police and court systems are fairly efficient and unbiased in commercial matters. The government operates in a generally transparent manner.

Business Registration

Established in 2006, the Antigua and Barbuda Investment Authority (ABIA) facilitates foreign direct investment into priority sectors, and advises the government on the formation and implementation of policies and programs to attract investment within Antigua and Barbuda. ABIA provides crucial business support services and market intelligence to all investors. ABIA has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors. This can be found at <http://investantiguabarbuda.org>.

All potential investors applying for government incentives must submit their proposals for review by the ABIA to ensure that the project is consistent with the national interests and provides economic benefits to the country.

The ABIA has an Enterprise Development Department that promotes small business development. This is pursued within the framework of the Small Business Development Act and the Small Business Development Regulations. According to the Small Business Development Act, a small business is defined as having no more than 25 employees. Foreign owned micro and small sized enterprises have access to any provisions as stipulated under this Act. Agencies such as the National Development Foundation, the Antigua Barbuda Development Bank and local financial institutions also partner with the ABIA to advance the sector.

According to the World Bank's Doing Business Report 2016, Antigua and Barbuda is ranked 107th in starting a business in the jurisdiction. This takes eight procedures and 21 days to complete. An attorney-at-law is necessary to prepare the incorporation documents. A business must register with Intellectual Property and Commerce Office (IPCO), the Inland Revenue Department, the Medical Benefits Scheme, the Social Security Scheme and the Board of Education. Typically, a notary will file the prepared documents with IPCO on behalf of the company. There are plans to develop a Single Window facility to expedite the process given the multiple agencies that are currently involved in the process.

Industrial Promotion

ABIA is the investment promotion arm of the government for both local and foreign investors to attract investment in identified key industries.

Limits on Foreign Control and Right to Private Ownership and Establishment

There are no limits on foreign control in Antigua and Barbuda. Foreign investors may hold up to 100% of an investment, and the entrepreneur needs about 40 days from start to finish to transfer the title on a piece of property. In June 1995, the government introduced a permanent residence requirement to encourage a limited number of high net worth individuals to establish tax residency in Antigua and Barbuda for no more than three years. As residents, all their income would be free of local tax.

To obtain a permanent residence certificate an applicant must: maintain a permanent residence in Antigua and Barbuda; obtain an alien landholding license costing five percent of the property value; pay a purchaser's stamp duty of 2.5%; pay an annual levy of \$20,000 per year; and reside in Antigua and Barbuda for not less than 30 days a year.

Privatization Program

Antigua and Barbuda currently does not have a targeted program of privatization.

Screening of FDI

Through the Government of Antigua and Barbuda, the ABIA has the authority to screen, review and approve all foreign direct investment. The review process is transparent and is contingent on the size of capital investment and the economic impact that it will have on the country.

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To establish a business as a foreign investor, the applicant must submit:

- Completed application form for Approved Small Business Status (available at ABIA)
- Business Registration Certificate
- Proof of citizenship
- Business Plan that includes: Projected or existing capital investment within the threshold outlined in the Small Business Development Act; Projected or existing number of employees within the threshold outlined in the Small Business Development Act (applicable if the applicant wishes to obtain small business status) ; Projected or existing level of export within the threshold outlined in the Small Business Development Act; Outline of production process within the threshold outlined in the Small Business Development Act;
- Financial statements: Businesses less than one year old should provide three years' financial projections. Businesses one year and older should provide financials for the most recent financial year and three years' financial projections.

Citizenship by Investment

Under the Citizenship by Investment Program, foreign individuals can obtain citizenship in accordance with the Citizenship by Investment Act 2013, which grants the right of citizenship (without voting rights) by investment. Program applicants are required to undergo a due diligence process before citizenship can be granted. The minimum that would entitle an

investor to qualify is a \$250,000 contribution to the National Development Fund for a family application of four persons or a real estate purchase valued at \$400,000 or above. Applicants must also provide a full medical certificate, a police certificate and evidence of the source of funds. Further information is available at: <http://www.cip.gov.ag/>.

Competition Law

Chapter 8 of the Revised Treaty of Chaguaramas provides the competition policy applicable to Caribbean Community (CARICOM) States. Member States are required to establish and maintain a national competition authority for facilitating the implementation of the rules of competition. At the CARICOM level, a Caribbean Competition Commission was established to apply the rules of competition in respect of anti-competitive cross-border business conduct. The CARICOM competition policy addresses anti-competitive business conduct, such as agreements between enterprises, decisions by associations of enterprises, and concerted practices by enterprises that have as their object or effect the prevention, restriction or distortion of competition within the Community, and actions by which an enterprise abuses its dominant position within the Community. No legislation is yet in operation to regulate competition in Antigua and Barbuda. The OECS agreed to establish a regional competition body to handle competition matters within its single market. The draft OECS bill was submitted to the Ministry of Legal Affairs for review.

2. Conversion and Transfer Policies

Foreign Exchange

Antigua and Barbuda is a member of the ECCU and the ECCB. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the OECS, Antigua and Barbuda has a foreign exchange system that is fully liberalized. The XCD has been pegged to the United States dollar at a rate of XCD 2.70 to USD 1.00 since 1976. As a result, the Eastern Caribbean Dollar does not fluctuate, creating a stable currency environment for trade and investment in Antigua and Barbuda.

Remittance Policies

Currently, companies registered in Antigua and Barbuda have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. Withholding taxes are also levied on non-resident corporations and individuals where they are receiving income in the form of dividends, preferred share dividends, interest and rentals, management fees, and royalties, as well as on interest on bank deposits to non-resident corporations. One must be on the island for 180 days to be considered a resident. The government recently announced plans to implement a tax on profits of international/offshore banks however no start date has been given.

Antigua and Barbuda is a member of the Caribbean Financial Action Task Force (CFATF) and according to the 2016 International Narcotics Control Strategy Report (INCSR); Antigua and Barbuda is categorized as a jurisdiction of primary concern. Antigua and Barbuda also signed onto an inter-governmental agreement with the United States to facilitate compliance with the Foreign Account Tax Compliance Act (FATCA).

3. Expropriation and Compensation

According to the Investment Authority Act of 2006, investments in Antigua and Barbuda will not be nationalized, expropriated or subject to indirect measures having an equivalent effect, except where any such measures are adopted for the public good and in accordance with due process of law, on a non-discriminatory basis and accompanied by prompt, adequate and effective compensation. Compensation in such cases will amount to the fair market value of the expropriated investment immediately before the expropriation or the impending expropriation became public knowledge, whichever is earlier. It shall include interest from the date of dispossession of the expropriated property until the date of payment. Compensation is required to be paid without delay, in convertible currency, and be effectively realizable and freely transferable.

There is an ongoing dispute regarding expropriation of an American-owned property. In November 2015, the Government of Antigua and Barbuda (GOAB) paid the property owners the amount of \$16 million towards the \$41.7 million owed. The owner noted that the GOAB paid down the principal of the expropriation (\$23 million), requiring the GOAB to pay less accumulated interest. The owner intends to continue battling the GOAB in court. For this reason, while the Government of Antigua and Barbuda is trying to meet its legal responsibilities, the U.S. government recommends continued caution when investing in real estate in Antigua and Barbuda.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Antigua and Barbuda bases its legal system on the British common law system. The Attorney General, the Chief Justice, junior Judges, and Magistrates administer justice in the country. An appeal may be taken to the Eastern Caribbean Supreme Court's Court of Appeal, and the final court of appeal for Antigua and Barbuda is the Judicial Committee of the Privy Council in the United Kingdom. A referendum will be held in June 2016 to decide whether or not the country should retain the Privy Council or turn to Trinidad-based Caribbean Court of Justice (CCJ) as its final court of appeal.

The Caribbean Court of Justice (CCJ) is the regional judicial tribunal, established in 2001 by the Agreement Establishing the Caribbean Court of Justice. The CCJ has original jurisdiction to interpret and apply the Revised Treaty of Chaguaramas. In its appellate jurisdiction, the CCJ considers and determines appeals from Member States of CARICOM, which are parties to the Agreement Establishing the CCJ. Antigua and Barbuda is subject to the original jurisdiction of the CCJ.

The United States and Antigua and Barbuda are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes. The United States and Antigua and Barbuda brought a case before the WTO. The WTO ruled in favor of Antigua and Barbuda.

Bankruptcy

Antigua and Barbuda has a bankruptcy framework, which allows for certain actions by both the debtor and the creditor. The World Bank's Doing Business Report addressed some

limitations in resolving insolvency in Antigua and Barbuda. Antigua and Barbuda is ranked at 125th based on this particular area.

Investment Disputes

The U.S. Embassy Bridgetown is not aware of any current investment disputes in Antigua and Barbuda.

International Arbitration

Antigua and Barbuda is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, however it is a member of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards; also known as the New York Arbitration Convention.

Duration of Dispute Resolution – Local Courts

According to the Doing Business Report 2016, dispute resolution generally took 351 days, however this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. Antigua and Barbuda is ranked at number 19 in resolving contracts in the World Bank Doing Business Report for 2016.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

As a member of the World Trade Organization, Antigua and Barbuda is party to the Agreement to the Trade Related Investment Measures. While there are no formal performance requirements, government encourages investments that will create jobs, increase exports and foreign exchange earnings. There are no requirements for participation either by nationals or by the Government in foreign investment projects. There is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Foreign investors receive national treatment.

Investment Incentives

Antigua and Barbuda has many incentives for investors. These are legally codified in the Investment Authority Act of 2006. The list of incentives includes exemption from or reduction of payment of duty on the importation or purchase of raw materials, building materials, furniture, fixtures, fittings, appliances, machinery, plant and equipment for use in the construction and operation of the business; exemption from or reduction of duty on the importation or purchase of vehicles for use in the operation of the business and reduction of property tax under the Property Tax Act (2000) of up to 10% in respect of land and buildings used in the operation of the business and tax holidays. The definition of local value added is the amount realized from the sales of the product over a continuous 12 months with the exception of a number of items which include, but are not limited to, wages and salaries paid to foreign nationals, profits and dividends distributed to foreign nationals, interest, management charges and other income payments to non-residents. Corporation taxes are levied at the rate of 25%.

Research and Development

Antigua and Barbuda does not currently have a government financed or subsidized research and development program.

Performance Requirements

The Government of Antigua and Barbuda does not mandate local employment. The provisions of the Labor Code outline the requirements for acquiring a work permit and prohibit anyone who is not a citizen of Antigua and Barbuda (and the OECS) to engage in employment unless they have obtained a work permit. There is a practice, where work permits are granted to senior management because no qualified nationals are available for the post, to recommend from among citizens of the country, a counterparty trainee. There are no excessively onerous visa, residency or work permit requirements.

Data Storage

There are no requirements for foreign Information Technology providers to turn over source code and/or provide access to surveillance (backdoors into hardware and software turn over keys for encryption, etc.)

6. Protection of Property Rights

Real Property

The government of Antigua & Barbuda owns 55% of the land in Antigua. The remaining 45% is privately owned. Currently, private land ownership is prohibited on the island of Barbuda. However, foreign investors may be granted a Non-Citizens Landholding License which is subject to Government approval. The Lands Division in the Ministry of Agriculture, Lands and Fisheries is the custodian of Crown lands on behalf of the Government.

Both citizens and non-citizens can lease or buy land in Antigua from the government or the private sector. Land sold to non-citizens is subject to the Non-Citizen Land Holding Regulation Act that makes provisions for the buyer to obtain a license to purchase land. It is advised that the buyer consults with a local attorney.

The Town and Country Planning office of the Development Control Authority (DCA) designates land usage areas, including for commercial, agricultural, industrial, or tourism use. The Government's Free Trade and Processing Zone manages lands and facilities which are geared towards attracting foreign direct investment in export sectors. All land titles must be registered at the Land Registry.

In the 2016 World Bank's Doing Business Report, Antigua and Barbuda is ranked 118th in the world for registering property. It takes about 40 days to complete the necessary steps and the cost is about 10% of the property value.

Intellectual Property Rights

Antigua and Barbuda has a wide legislative framework regarding its commitment to the protection of intellectual property rights. While these legal structures governing intellectual property could be considered as strong, enforcement generally could be strengthened. Antigua and Barbuda is a member of the United Nations World Intellectual Property Organization (WIPO). It is signatory to the Paris Convention for the Protection of Industrial

Property; the Patent Cooperation Treaty (PCT); the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks; and the Berne Convention for the Protection of Literary and Artistic Works.

Article 66 of the Revised Treaty of Chaguaramas (2001) establishing the Caribbean Single Market and Economy commits all 15 members to implement stronger Intellectual Property protection and enforcement. The Economic Partnership Agreement (EPA) that was signed between the CARIFORUM States and the European Community in 2008 contains the most detailed obligations in respect of intellectual property in any trade agreement to which Antigua and Barbuda is a party. The EPA gives recognition to the protection and enforcement of intellectual property. Article 139 of the EPA requires parties to “ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties and of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS).”

The Comptroller of Customs of the Government of Antigua and Barbuda spearheads the enforcement and preventive aspects which includes the detention, seizure and forfeiture of goods.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/> .

Resources for Rights Holders

Contact at Mission:

U.S. Embassy to Barbados, the Eastern Caribbean and the Organisation of Eastern Caribbean States (OECS)

Name: Stephen Simpson

Title: Economic/Commercial Officer

Telephone: (246) 227-4274

Email address: SimpsonSC@state.gov

Country/Economy Resources

American Chamber of Commerce for Barbados and the Eastern Caribbean

Name: Dustin Delany

Title: Chairman and President

Telephone: (246) 228-2260

Email: dd@amchambec.com

Local attorneys list: http://barbados.usembassy.gov/ant_barb_attorneys.html.

7. Transparency of the Regulatory System

Antigua and Barbuda uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety. The government publishes laws, regulations, administrative practices and procedures of general application and judicial decisions that affect or pertain to investments or investors in Antigua and Barbuda. Where the government establishes policies that affect or pertain to investments or investors that are not expressed in laws and regulations or by other means, the government will make them publicly available.

The ABIA has the main responsibility for investment monitoring, whereas the Ministry of Finance and Economy monitors investments to collect information for national statistics and reporting purposes.

Antigua and Barbuda's international financial services sector began with the enactment of the International Business Corporations (IBC) Act CAP 222 in 1982. Initially, the IBC Act was administered by the Ministry of Finance. By 1990, the country's financial services industry had grown significantly and the government, encouraged by this growth, sought to position the country as a premier international financial center. The Financial Services Regulatory Commission has oversight over the sector. Part of the repositioning strategy was the enactment of anti-money laundering legislation enshrined in the Money Laundering Prevention Act 1996. Antigua and Barbuda's Financial Services industry is generally regarded as transparent.

The Antigua and Barbuda Bureau of Standards is a statutory body established under the Standards Act of 1987 to prepare and promulgate standards in relation to goods, services, processes and practices. The Bureau is currently preparing standards which are relevant to the economy of Antigua and Barbuda. In so doing, it will provide a broad base of technical, advisory and monitoring services for retailers, manufactures and service providers.

8. Efficient Capital Markets and Portfolio Investment

Antigua and Barbuda is a member of the OECS, and as such, it is also a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market (RGSM). The ECSE is a regional securities market established by the Eastern Caribbean Central Bank and licensed under the Securities Act of 2001, a uniform regional body of legislation governing securities market activities to facilitate the buying and selling of financial products for the eight member territories. The number of equities listed is 13 while the number of debt securities listed is 90. Market capitalization stood at \$4.3 billion. Antigua and Barbuda is a member of this stock exchange, and is open to portfolio investment.

Money and Banking System, Hostile Takeovers

The Eastern Caribbean Central Bank (ECCB) controls the currencies of several island states including Antigua and Barbuda. The ECCB regulates domestic banks in Antigua and Barbuda. In its latest annual report, the ECCB listed the commercial bank sector as stable. According to the most recent data available from the government, assets of commercial banks totaled \$2.16 billion at the end of January 2016 and remained relatively consistent during the previous year. The reserve requirement for commercial banks was 6% of deposit liabilities.

9. Competition from State-Owned Enterprises

State Owned Enterprises in Antigua and Barbuda are governed by their respective legislation. They are headed by Boards of Directors to which the Senior Management reports. The state-owned enterprises in Antigua and Barbuda include the Social Security and the Medical Benefits Schemes. These companies do not generally pose a threat to investors, as they are not designed for competition. They collect special payroll taxes to provide short and long-term benefits such as healthcare and pension benefits. The Antigua Public Utilities and

State Insurance Corporation, however, openly compete in sectors where the government encourages investment.

OECD Guidelines on Corporate Governance of SOEs

While Antigua and Barbuda recognizes the Organization of Economic Cooperation and Development (OECD) guidelines, SOEs in Antigua and Barbuda are not found in the key areas earmarked for investment.

Sovereign Wealth Funds

The Eastern Caribbean Central Bank, of which Antigua and Barbuda is a member, does not maintain a Sovereign Wealth Fund.

10. Responsible Business Conduct

In Antigua and Barbuda, there is an awareness of responsible business conduct among both producers and consumers. The private sector is involved in projects that benefit society, including in support of environmental, social and cultural causes. Individuals benefit from business sponsored initiatives when local and foreign owned enterprises pursue volunteer opportunities and make monetary or in-kind donations to local causes.

The Non-Governmental Organisation community, while comparatively small, is involved in fundraising and volunteerism in gender, health, environmental and community projects. The government at times partners with NGOs in activities. The government encourages philanthropy.

11. Political Violence

Antigua and Barbuda does not have a history of political violence.

12. Corruption

The law provides criminal penalties for corruption by officials, and the government generally implemented these laws effectively. Allegations of corruption against government officials in Antigua and Barbuda are fairly common; both political parties frequently accused the other of corruption, but investigations yielded few or no results.

Parliament passed three sets of legislation related to corruption. These were designed to reduce corruption and encourage good governance, as well as provide for criminal penalties for official corruption. The current government reaffirmed its commitment to rooting out corruption in the public sector.

The Integrity in Public Life Act requires public officials to disclose all income, assets (including those of spouses and children), and personal gifts while in public office. An Integrity Commission, established by the act and appointed by the governor general, receives and investigates complaints regarding noncompliance with, or contravention of any provisions of, this law or of the Prevention of Corruption Act. The commission responded to isolated reports of corruption, administered the act, and received the required disclosure reports. As the only agency charged with combating corruption, the commission was independent but

understaffed and under resourced. Critics stated the legislation was inadequately enforced and the act should be strengthened.

The Freedom of Information Act gives citizens the statutory right to access official documents from public authorities and agencies, and it created a commissioner to oversee the process. In practice citizens found it difficult to obtain documents, possibly due to government funding constraints rather than obstruction. A defined unit is mandated to monitor and verify disclosures. By law the disclosures are not made available to the public, and there were criminal and administrative sanctions for noncompliance.

In June 2015, twelve Commonwealth Caribbean countries including Antigua and Barbuda established a new regional body to enhance transparency and to help fight corruption. The formation of the Association of Integrity Commissions and Anti-Corruption Bodies in the Commonwealth Caribbean has been heralded as a major step forward in regional efforts to support integrity and address corruption. It is hoped that the new body will help to further strengthen public confidence in cross-border initiatives to enhance accountability, knowledge sharing and coordination.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Antigua and Barbuda is party to the Inter-American Convention against Corruption. In 2006, it acceded to the United Nations Anti-Corruption Convention.

Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:

-ORGANIZATION: Integrity Commission

-ADDRESS: RIOA (Francis) Building, High Street, St. John's, Antigua

-TELEPHONE NUMBER: 1 -268-562-5512

-EMAIL ADDRESS

13. Bilateral Investment Agreements

Bilateral Taxation Treaties

Antigua and Barbuda has bilateral investment treaties with Germany and the United Kingdom. It does not have a bilateral investment treaty or bilateral taxation treaty with the United States. Antigua and Barbuda also signed free trade agreements with Costa Rica and the Dominican Republic but the agreements have not entered into force. Antigua and Barbuda has double taxation agreements with Denmark, Norway, Sweden, and the United Kingdom. Antigua and Barbuda is also party to the following:

Caribbean Community (CARICOM)

The Treaty of Chaguaramas established CARICOM in 1973. Its purpose is to promote economic integration among its 15 Member States. Investors operating in Antigua and Barbuda are given preferential access to the entire CARICOM market. The Revised Treaty of Chaguaramas goes further to establish the CARICOM Single Market and Economy (CSME), by permitting the free movement of goods, capital and labor within CARICOM States.

CARICOM has entered into bilateral agreements with Cuba, Colombia, Costa Rica, the Dominican Republic and Venezuela.

Organisation of Eastern Caribbean States (OECS)

The Treaty of Basseterre establishes the Organisation of Eastern Caribbean States (OECS). The OECS consists of seven full Member States: Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines, and three associate members: Anguilla, Martinique and the British Virgin Islands. Martinique joined as an associate member in February 2015. The purpose of the Treaty is to promote harmonization among Member States in areas concerning foreign policy, defense and security, and economic affairs. The six independent countries of the OECS ratified the Revised Treaty of Basseterre establishing the OECS Economic Union on January 21, 2011. The Economic Union established a single financial and economic space within which all factors of production, including goods, services and people, move without hindrance.

Economic Partnership Agreement (EPA)

The Economic Partnership Agreement (EPA) was concluded between the CARIFORUM States and the European Community and its Member States in 2008. The EPA replaced the now expired transitional trade regime of the Cotonou Agreement. The overarching objectives of the EPA are to alleviate poverty in CARIFORUM, to promote regional integration and economic cooperation and to foster the gradual integration of the CARIFORUM states into the world economy by improving trade capacity and creating an investment-conducive environment. The Agreement promotes trade related developments in areas such as competition, intellectual property, public procurement, the environment and protection of personal data.

Caribbean Basin Initiative (CBI)

The trade programs known collectively as the Caribbean Basin Initiative (CBI) is intended to facilitate the economic development and export diversification of the Caribbean Basin economies.

Initially launched in 1983 through the Caribbean Basin Economic Recovery Act (CBERA), and substantially expanded in 2000 through the U.S.-Caribbean Basin Trade Partnership Act (CBTPA), the CBI was further expanded in the Trade Act of 2002. It promotes economic development through private sector initiative in Central America and the Caribbean islands by expanding foreign and domestic investment in non-traditional sectors, diversifying CBI country economies and expanding their exports. The CBI provides beneficiary countries with duty-free access to the U.S. market for most goods. It permits duty free entry of products manufactured or assembled in Antigua and Barbuda into markets of the United States.

Caribbean / Canada Trade Agreement (CARIBCAN)

CARIBCAN is an economic and trade development assistance program for Commonwealth Caribbean countries in which Canada provides duty free access to its national market for the majority of products that originate in Commonwealth Caribbean countries.

14. Foreign Trade Zones/Free Ports/Trade Facilitation

The Government, through an Act of Parliament, established the Antigua and Barbuda Free Trade and Processing Zone in 1994, which is based on the legal foundation enacted twelve years earlier that set guidelines for the establishment of International Business Corporations in Antigua and Barbuda. The Free Zone is administered by a Commission, empowered by the Free Trade and Processing Zone Act No. 12 of 1994, to function as a private enterprise.

The Free Trade and Processing Zone is part of an initiative undertaken by the Government of Antigua and Barbuda to diversify the economy of the State. The organization is mandated to attract investment in the areas deemed to be of priority by the Government for the economic development of Antigua and Barbuda.

15. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$1123	2014	\$1221	http://data.worldbank.org/country/antigua-and-barbuda
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	2015	\$2	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2015	\$2	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm

Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	N/A
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*Eastern Caribbean Central Bank Statistics: <http://www.eccb-centralbank.org/Statistics/index.asp>

Table 3: Sources and Destination of FDI

Antigua and Barbuda does not appear in the IMF's Coordinated Direct Investment Survey.

Table 4: Sources of Portfolio Investment

Antigua and Barbuda does not appear in the IMF's Coordinated Portfolio Investment Survey for Sources of Portfolio Investment.

Section 5 - 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:

common law based on the English model

International organization participation:

ACP, AOSIS, C, Caricom, CDB, CELAC, FAO, G-77, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IFAD, IFC, IFRC, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, ISO (subscriber), ITU, ITUC (NGOs), MIGA, NAM, OAS, OECS, OPANAL, OPCW, Petrocaribe, UN, UNCTAD, UNESCO, UPU, WFTU (NGOs), WHO, WIPO, WMO, WTO

Section 6 - Tax






Exchange control

Antigua and Barbuda does not have exchange controls

Treaty and non-treaty withholding tax rates

Antigua and Barbuda has signed **32 agreements (12 DTC and 20 TIEA agreements)** providing for the exchange of information.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Aruba	TIEA	30 Aug 2010	2 Dec 2010	Yes	Yes	
Australia	TIEA	30 Jan 2007	14 Dec 2009	Yes	Yes	
Barbados	DTC	6 Jul 1994	30 Nov 1994	Yes	No	
Belgium	TIEA	7 Dec 2009	not yet in force	Yes	Yes	
Belize	DTC	6 Jul 1994	30 Nov 1994	No	No	
Curaçao	TIEA	29 Oct 2009	not yet in force	Yes	Yes	
Denmark	TIEA	2 Sep 2009	23 Feb 2011	Yes	Yes	
Dominica	DTC	6 Jul 1994	30 Nov 1994	No	No	
Faroe Islands	TIEA	19 May 2010	not yet in force	Unreviewed	Yes	
Finland	TIEA	19 May 2010	24 Mar 2011	Yes	Yes	
France	TIEA	26 Mar 2010	28 Dec 2010	Yes	Yes	
Germany	TIEA	19 Oct 2010	30 May 2012	Yes	Yes	
Greenland	TIEA	19 May 2010	not yet in force	Unreviewed	Yes	
Grenada	DTC	6 Jul 1994	30 Nov 1994	No	No	
Guyana	DTC	6 Jul 1994	30 Nov 1994	No	No	
Iceland	TIEA	19 May 2010	not yet in force	Yes	Yes	
Ireland	TIEA	15 Dec 2009	17 Feb 2011	Yes	Yes	
Jamaica	DTC	6 Jul 1994	30 Nov 1994	No	No	
Liechtenstein	TIEA	24 Nov 2009	16 Jan 2011	No	Yes	
Netherlands	TIEA	2 Sep 2009	1 Mar 2010	Yes	Yes	
Norway	TIEA	19 May 2010	15 Jan 2011	Yes	Yes	
Portugal	TIEA	13 Sep 2010	not yet in force	Yes	Yes	
Saint Kitts and Nevis	DTC	6 Jul 1994	30 Nov 1994	Yes	No	
Saint Lucia	DTC	6 Jul 1994	30 Nov 1994	No	No	
Saint Vincent and the Grenadines	DTC	6 Jul 1994	30 Nov 1994	Yes	No	
Sint Maarten	TIEA	29 Oct 2009	not yet in force	Yes	Yes	
Sweden	DTC	20 Aug 1963	1 Jan 1961	Yes	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Sweden	TIEA	19 May 2010	1 Jun 2013	Yes	Yes	
Switzerland	DTC	20 Aug 1964	1 Jan 1961	No	No	
Trinidad and Tobago	DTC	6 Jul 1994	30 Nov 1994	No	No	
United Kingdom	TIEA	19 Jan 2010	19 May 2011	Yes	Yes	
United States	TIEA	6 Dec 2001	10 Feb 2003	Yes	No	

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

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