

Austria

RISK & COMPLIANCE REPORT

DATE: November 2018

Executive Summary - Austria

Sanctions:	None
FAFT list of AML Deficient Countries	No
Medium Risk Areas:	US Dept of State Money Laundering assessment Compliance with FATF 40 + 9 Recommendations Weakness in Government Legislation to combat Money Laundering Compliance of OECD Global Forum's information exchange standard
Major Investment Areas: Agriculture-products: grains, potatoes, wine, fruit; dairy products, cattle, pigs, poultry; lumber Industries: construction, machinery, vehicles and parts, food, metals, chemicals, lumber and wood processing, paper and paperboard, communications equipment, tourism Exports - commodities: machinery and equipment, motor vehicles and parts, paper and paperboard, metal goods, chemicals, iron and steel, textiles, foodstuffs Exports - partners: Germany 31.4%, Italy 7%, France 4.7%, Switzerland 4.5%, US4.4% (2012) Imports - commodities: machinery and equipment, motor vehicles, chemicals, metal goods, oil and oil products; foodstuffs Imports - partners: Germany 42.1%, Italy 6.6%, Switzerland 5.1% (2012)	
Investment Restrictions:	

There are virtually no restrictions on foreign investment in Austria and foreign investors receive national treatment in general, however, the Austrian government may impose performance requirements when foreign investors seek financial or other assistance from the government

Strict liability regulations and co-existence rules sharply restrict any research, cultivation, marketing, or distribution of biotechnology crops.

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Section 1 - Background

Once the center of power for the large Austro-Hungarian Empire, Austria was reduced to a small republic after its defeat in World War I. Following annexation by Nazi Germany in 1938 and subsequent occupation by the victorious Allies in 1945, Austria's status remained unclear for a decade. A State Treaty signed in 1955 ended the occupation, recognized Austria's independence, and forbade unification with Germany. A constitutional law that same year declared the country's "perpetual neutrality" as a condition for Soviet military withdrawal. The Soviet Union's collapse in 1991 and Austria's entry into the European Union in 1995 have altered the meaning of this neutrality. A prosperous, democratic country, Austria entered the EU Economic and Monetary Union in 1999.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

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

Compliance with FATF Recommendations

The latest Follow-up Report & Technical Compliance Re-Rating was completed in November 2018. According to that Evaluation, Austria was deemed Compliant for 18 and Largely Compliant for 18 of the FATF 40 Recommendations. It was deemed Highly Effective for 0 and Substantially Effective for 3 of the Effectiveness & Technical Compliance ratings.

Conclusions – follow-up 2018

Overall, Austria has made good progress in addressing the technical compliance deficiencies identified in its MER and has been re-rated on two Recommendations. Only four Recommendations remain PC. Austria has addressed most of the technical compliance deficiencies identified on R.24 and 25 such that only minor shortcomings remain and both Recommendations are re-rated as LC. While Austria complies with the revised requirement of R.7, outstanding deficiencies remain, meaning Austria remains PC. Austria complies with the updated requirements of R.18 and R.21, and maintains a C rating for these Recommendations.

Conclusions–follow-up 2017

Overall, Austria has made good progress in addressing the technical compliance deficiencies identified in its 2016 MER and has been re-rated on 10 Recommendations. As Austria has addressed the deficiencies in respect of Recommendations 9, 10, 12, 15, 16, and 18 these Recommendations are now re-rated as C. Many steps have also been taken to rectify the issues relating to Recommendations 1, 2, 22, and 29 such that only minor shortcomings remain and, for that reason, these Recommendations are re-rated as LC. Steps have been taken to improve compliance with Recommendations 23, and 28, but minor shortcomings still remain and, consequently, the rating for these Recommendations remains LC. For Recommendation 5, which has been revised since Austria's MER was adopted, Austria's existing legislative framework meets the new requirements; Recommendation 5 therefore remains C. For Recommendation 8, which has been significantly amended since Austria's MER, Austria has taken some initial steps, but more is required to adequately implement the new requirements and consequently the rating remains PC.

Key Findings from 2016 FATF Mutual Evaluation

Austria has a mixed understanding of its ML/TF risks. The NRA does not provide a holistic picture of ML/TF risks that are present in the jurisdiction. Each competent authority has its own concept of ML/TF risks bas

ed on its practical experience; however, in most cases they do not match with each other and do not provide a complete picture of country's ML/TF risks. Austria did not demonstrate that it had any national AML/CFT policies. Domestic cooperation mechanisms do not result in the development and implementation of policies and activities that would be coordinated in a systematic manner.

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FIU functions well as a predicate offence and associated ML investigation unit, rather than as a financial intelligence unit. The approach of the FIU with regard to STR analysis is primarily investigative (as opposed to intelligence approach). The FIU conducts only very basic operational analysis and does not conduct any strategic analysis to support the operational needs of competent authorities. The available IT-tools do not enable the A-FIU to cross-match STRs or conduct data-mining to find trends and patterns across STRs. The A-FIU does not conduct any analysis of TF-related STRs. There have been a number of instances (across different types of reporting entities) where customers became aware that an STR was filed in their respect and raised complaints directly against the reporting entity (and in some cases, the person who filed).

Austria's ML offence is generally comprehensive and in line with the Vienna and Palermo Conventions. But Austria does not pursue ML as a priority and in line with its profile as an international financial centre. The need in practice to prove a predicate offence beyond a reasonable doubt in order to demonstrate the illegal origin of funds limits the ability to detect, prosecute, and convict for different types of ML (in particular relating to foreign predicates and stand-alone ML).

Sanctions applied by the courts for ML are not dissuasive, as penalties actually applied are very low (normally probation for a first time offence). As a result of these issues, prosecutors generally do not lay ML charges and instead focus on pursuing the predicate offence.

Austria has a generally comprehensive framework for police powers and provisional and confiscation measures; however, Austria does not pursue confiscation in line with its risk profile. A key deficiency is in the step ("sequestration") required to apply to freeze bank accounts which can only be obtained if the prosecutor can prove to the court that there is a specific risk that the assets will disperse without such an order.

The authorities have a good understanding of the TF risks, and Austria exhibits many characteristics of an effective system for investigating and prosecuting those involved in terrorist actions. The legal framework for the investigation and prosecution of terrorist and TF is generally sound and there are specialised authorities for investigation, intelligence and prosecution in these fields. Every counter-terrorism investigation includes an investigation into potential TF. Some convictions on terrorist activities and TF were obtained.

Austria has not undertaken a domestic review and comprehensively looked at potential risks within the NPO sector to identify which subset of NPOs that might be of particular risk of being misused for TF. However, police authorities have identified and investigated some NPOs exposed to terrorist and TF risks and also conducted numerous targeted TF-related outreach to associations in the last years. There is insufficient monitoring and supervision of administrative requirements of the large majority of NPOs.

Austrian financial sector supervisors appropriately conduct fit and proper tests and criminal background checks in licensing and registering credit institutions. The FMA also proactively targets unlicensed financial service providers as it considers these types of activities to be a key risk to the sector and has established a dedicated function to address these activities. In general, the FMA has a sound understanding of ML/TF risks present in the institutions it supervises. Based on this understanding, it has developed

strategies using supervisory tools or risk that the institutions it regulates, and its staff is appropriately qualified to perform assigned functions. However, effective implementation of these supervisory strategies is limited by a lack of adequate resources especially related to the supervision of high risk credit institutions. The lack of adequate supervision regarding passported MVTs providers and e-money institutions is also a significant gap.

Austria demonstrates many characteristics of an effective system for international cooperation. Austria provides assistance to countries who request it, and the Austrian authorities regularly ask their foreign counterparts for information and evidence. Most countries that gave input on the international co-

operation of the Austrian authorities (speaking broadly) found it to be generally satisfactory. Conversely, Austria is generally satisfied with the co-operation that it receives.

Risks and General Situation

Austria is one of the most developed countries in the world with a GDP of about EUR 329.296 billion in 2014. Austria has a highly developed and robust financial market, with assets totalling approximately 355% of GDP. The financial system is dominated by banks that hold 75% of the total financial sector assets. Austria has one of the densest banking and branch networks in Europe and is dominated by the universal banking structure. Austrian banks generally provide the full range of banking services and only a few institutions have highly specialised business models.

Austria's National Risk Assessment on ML/TF (NRA) was coordinated by the Ministry of Finance (BMF), was finalised in April 2015, and published in October 2015. The work was conducted in the framework of a working group (WGNRA) which included representatives of all ministries and authorities responsible for combating money laundering and financing of terrorism. Austria finalised its first NRA in April 2015, and published it in October 2015. While the NRA was an important first step, and used elements of the FATF Guidance on National Money Laundering and Terrorist Financing Risk Assessment published in February 2013, it does not provide a holistic picture of ML/TF risks that are present in the jurisdiction.

Theft, drug trafficking, and fraud are the main predicate crimes in Austria according to conviction and investigation statistics. Human trafficking/migrants smuggling is perceived to be high risk, but the ML-related knowledge is very limited, as there have been no convictions for ML related to these predicate offences so far.

There is considerable ML risk associated with the activities of organised crime groups (originating in Italy or post-Soviet Union countries). Their areas of activity will often include drug trafficking, human trafficking and migrants smuggling, fraud, and tax crimes (especially VAT fraud). The proceeds are laundered through cash-intensive businesses (such as hotels, restaurants, and cafes), usually with strawmen acting as directors and shareholders. Sometimes simple techniques such as money remittance using strawmen (or money mules) will be used.

Being an important regional and international financial centre as well as a gateway to Central, Eastern, and Southeastern Europe (CESEE) countries, Austria faces a range of ML and TF risks. Austria is particularly vulnerable to proceeds from a variety of international crimes transiting through Austria such as corruption, embezzlement, etc. Companies established offshore with Austrian bank accounts are vulnerable for these purposes.

TFrisksaremainlyassociatedwithaconsiderablemigrantpopulationcomingfromconflictzones,so meofwhommaybesympathetictoextremistandterroristorganisations,includingbyprovidingfinancialsupport.Thefundsoriginatebothfromlegal(salaries,socialbenefits)andillegal(theft,fraud,othe rpettycrimes)sources.Themovementoffundsusuallyconductedthroughmoneyremittanceservi ceproviders.Sometimesmoneytransfersareperformedthroughthirdcountries.TFrisksinfluence dbythesupportofcertaincommunitiessettledinAustriatoconflictzonesabroad,particularlyinthere gionsofthenorthCaucasusandtheKurdistanregion,andtoIslamistterroristorganizationsincountrie sasIraqandSyria.Detectedactivitiesaremainlyrelatedtosmallcells,self-financedthroughlegalandillegalmeansand,also,toAustrianresidentstravellingtoconflictzonesa broadtohelpforeignterroristgroups.

USD Department of State Money Laundering assessment (INCSR)

No longer categorized as a Jurisdiction of Primary Concern however the 2017 Report has not yet been published and, therefore, below is the 2016 report

Austria was deemed a Jurisdiction of Primary Concern by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows:-

Perceived Risks:

Austria is a major regional financial center. Austrian banking groups control significant shares of the banking markets in Central, Eastern, and Southeastern Europe. Money laundering occurs to some extent within the Austrian banking system as well as in non-bank financial institutions and businesses. Money laundered by organized crime groups derives primarily from fraud, smuggling, corruption, narcotic trafficking, and trafficking in persons. Theft, drug trafficking, and fraud are the main predicate crimes in Austria according to conviction and investigation statistics. Austria is not a frequent offshore destination for illicit funds and has no free trade zones.

Casinos and gambling are legal in Austria, but in some provinces slot machines are prohibited, and there are efforts underway to limit certain aspects of sports betting. The laws regulating casinos include AML/CFT provisions. There are migrant workers in Austria who send money home via all available channels, including regular bank transfers and money transmitters, but also in formal and illegal remittance systems. No information is available to what extent informal systems are used.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTIC TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

“All serious crimes” approach or “list” approach to predicate crimes: Combination approach

Are legal persons covered: criminally: YES **civilly:** NO

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: NO

KYC covered entities: Banks and credit institutions; domestic financial institutions authorized to conduct financial leasing, safe custody, portfolio and capital consulting, credit reporting, and mergers and acquisition services; brokers and securities firms; money transmitters and exchanges; insurance companies and intermediaries; casinos; all goods dealers; auctioneers and real estate agents; lawyers, notaries, certified public accountants, and auditors

REPORTING REQUIREMENTS:

Number of STRs received and timeframe: 1,673 in 2014

Number of CTRs received and timeframe: Not applicable

STR covered entities: Banks and credit institutions; domestic financial institutions authorized to conduct financial leasing, safe custody, portfolio and capital consulting, credit reporting, and mergers and acquisition services; brokers and securities firms; money transmitters and exchanges; insurance companies and intermediaries; casinos; all goods dealers; auctioneers and real estate agents; lawyers, notaries, certified public accountants, auditors, and customs officials

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 426 in 2014

Convictions: 46 in 2014

RECORD EXCHANGE MECHANISM:

With U.S.: MLAT: YES Other mechanism: YES

With other governments/jurisdictions: YES

Austria is a member of the FATF. Its most recent mutual evaluation can be found at: <http://www.fatf-gafi.org/topics/mutualevaluations/documents/mutualevaluationofaustria.html>

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

Austria has in place comprehensive AML/CFT legislation. In recent years, the government reformed the financial intelligence unit operational procedures and supervisory framework; developed and published regulations and guidelines; and organized a series of outreach events and training to increase the level of awareness of AML/CFT.

Austria has an "all serious crimes" approach to the criminalization of money laundering plus a list of predicate offenses that do not fall under the domestic definition of serious crimes, but which Austria includes to comply with international legal obligations and standards.

Austrian banks have strict legal requirements regarding secrecy. However, the law stipulates that secrecy regulations do not apply with respect to banks' obligation to report suspicious transactions in connection with money laundering or terrorism financing, or with respect to ongoing criminal court proceedings. Any amendment of these secrecy regulations requires a two-thirds majority approval in Parliament. In 2014, Austria accepted a long-delayed EU law to curtail bank secrecy and tax evasion. The law requires the EU member states to automatically exchange information on accounts held by their citizens abroad. Austria said it needed mo

retimetocomplywiththeagreementandcreateanewreportingsystem.Austriawasgivenuntil2018to comply.

TheAustrianFinancialMarketAuthority(FMA)regularlyupdatesaregulationissuedJanuary1,2012, whichmandatesbanksandinsurancecompaniesapplyadditionalduediligencewhendoingbusinesswithdesignatedcountries.In2014theregulationstipulatedincreasedscrutinyforforeign “politicallyexposedpersons(PEPs),”suchasgovernmentmembers,politicians,andprominentpublic officials.

Afteradeclineinthepreviousyear,thenumberoffiledsuspicioustransactionreports(STRs),andparticularlyprosecutionsandconvictions,rosethroughout2014.Austrianauthoritiesmaintainthattheimprovedlegalframeworkandtrainingcontributedtothisdevelopment.ThenumberofAMLconvictionsinrelationtotheamountofprosecutionsremainsquitelow.

CurrentWeaknessesinGovernmentLegislation(2013INCRSCComparativeTables):

AccordingtotheUSStateDepartment,Austriadoesnotconformwithregardtothefollowinggovernmentlegislation:-

RecordLargeTransactions-

Bylaworregulation,banksarerequiredtomaintainrecordsoflargetransactionsincurrencyorother monetaryinstruments.

EUWhitelistofEquivalentJurisdictions

AustriaisontheEUWhitelistofEquivalentJurisdictions

WorldGovernanceindicators

[ToviewhistoricGovernanceIndicatorsCtrl+Clickhereandthenselectcountry](#)

FailedStatesIndex

[ToviewFailedStatesIndexCtrl+Clickhere](#)

OffshoreFinancialCentre

AustriaisnotconsideredtobeanOffshoreFinancialCentre

US State Dept Narcotics Report (introduction):

Report not available

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

Austria is classified a Tier 1 country - is a country whose government fully complies with the Trafficking Victims Protection Act's (TVPA) minimum standards.

Austria is a destination and transit country for men, women, and children subjected to sex trafficking and forced labor. The majority of identified victims are girls and women subjected to sex trafficking. Victims primarily originate from Eastern Europe (Bosnia and Herzegovina, Serbia, Romania, and Bulgaria) and, to a lesser extent, China, Nigeria, the Middle East, North Africa, Southeast Asia, and South America. Traffickers sometimes lure women by offering fictitious positions, including over social media, as au pairs, cleaners, waitresses, or dancers. Forced labor occurs in the agricultural, construction, catering, restaurant, and cleaning sectors, and among domestic laborers in diplomatic households. Physically and mentally disabled persons from Eastern Europe and Romanian children are victims of forced begging. In 2015, authorities identified trafficking victims among a growing population of unaccompanied minors and asylum seekers, including children from Syria, Afghanistan, and North Africa forced into begging.

The Government of Austria fully meets the minimum standards for the elimination of trafficking. While the number of prosecutions and convictions declined, the government substantially increased funding for victim services and continued to identify and refer victims in partnership with NGOs. The government improved its efforts to identify trafficking victims among refugees, irregular migrants, and asylum seekers, and provided training on victim identification to NGOs providing care to those vulnerable populations. The government continued its efforts to prevent domestic servitude in diplomatic households and its support of campaigns to sensitize buyers of commercial sex acts about sex trafficking and to prevent child sex tourism.

US State Dept Terrorism Report 2016

Overview: Austria demonstrated continued commitment to countering terrorism, and U.S. - Austria law enforcement cooperation remained strong. Austria's Office for State Protection and Counterterrorism (BVT), the key counterterrorism agency within the Ministry of the Interior, reported on its radicalization to violence efforts by violent Islamist extremist groups. The country's traditional public perception that Austria is safe from terrorist attacks continued to be challenged by a large number of foreign terrorist fighters from Austria headed to Syria and Iraq. This number tapered off in the course of the year due to a combination of factors, including effective counterterrorism measures. The BVT charged or monitored those returning from Syria. The international terrorist threat environment prompted the government to establish an ad-hoc security cabinet and to give the armed forces a greater complementary counterterrorism role.

an previously mandated. Continued concern over data privacy protection, amplified by public debate about suspected U.S. intelligence activities in Austria, slowed the implementation of some bilateral counterterrorism agreements.

Austria identified the fight against radicalization to violence and violent extremism as a key priority for its 2017 Organization for Security and Cooperation in Europe (OSCE) Chairmanship. Austria is a member of the Global Coalition to Defeat ISIS, and a member of the Defeat-ISIS Working Group on Foreign Terrorist Fighters and Stabilization. Throughout 2016, the Ministries of Interior, Justice, and Foreign Affairs increased efforts to counter incitement of terrorist acts motivated by violent extremism, and to counter the problem of foreign terrorist fighters. Law enforcement agencies focused on intelligence gathering and investigations, while integration officials engaged in public outreach to prevent radicalization to violence. In 2016, members of the Austrian parliament continued to meet with U.S. legislators within the Parliamentary Security Forum venue to discuss cooperation on counterterrorism and terrorist financing issues.

Legislation, Law Enforcement, and Border Security: Austria has an extensive legal structure to counter terrorism. Relevant statutes criminalize training in terrorist camps abroad and allow wiretapping of individuals suspects or small groups with the permission of an independent judge or ombudsman. Specific regulations prohibit the use and distribution of symbols attributable to ISIS or al-Qa'ida. Regulations further allow border authorities to prevent minors from leaving Austria upon suspicion minors will participate in fighting activities abroad. Authorities are allowed to withdraw citizenship from an Austrian dual national who voluntarily and actively participates in fighting in an armed conflict.

Having taken effect July 1, 2016, Austria's State Protection Law provides the BVT enhanced legal tools to counter terrorism, espionage, cyber-attacks, and WMD proliferation. The new law authorizes the agency to request information from internet service providers and telephone carriers regarding connectivity data, IP addresses, location, as well as request information from transport authorities. The maximum time for data storage by police in terrorism cases was expanded from nine months to six years. Any intrusive action by the BVT requires prior approval by a tripartite panel including an experienced judge and two additional experts, such as prosecutors or privacy ombudspersons. This panel is required to report to Parliament. Additionally, targeted individuals must be informed about the actions against them. The law grants greater authority for the BVT to share intelligence with other domestic intelligence agencies and foreign intelligence organizations.

Austrian law enforcement and BVT officials routinely cooperated in investigative areas with U.S. law enforcement, from the informal sharing of preliminary investigative information to joint, multilateral investigative projects and enforcement operations. Border security forces made effective use of security measures, including biographic and biometric screening capabilities at ports of entry and information sharing internally and with other European Union countries. Border security officials at ports of entry have discretion when determining documents and passengers subject to screening on arrival.

Austria has taken a whole-of-government approach to implement UN Security Council resolutions 2178 (2014) to counter foreign terrorist fighters, and 2199 (2015) to counter ISIS, as well as Global Counterterrorism Forum good practice on foreign terrorist fighters.

The BVT estimated the number of Austrians fighting in Syria and Iraq, or wanting to travel to the conflict zone, at 300 during the period of 2014 through December 2016. Fifty persons were prevented from leaving the country for conflict zones, including 22 women. According to Interior Ministry information, 44 pe

oplepresumablydiedinSyriaandIraq,allofthemmen.BVTmonitoredanestimated80otherswhoahadreturnedtoAustriabyyear'send.

Morethantwo-fifths of Austrian foreign terrorist fighters are of North Caucasus origin, and around 40 percent were persons with refugee status in Austria. Chechens who entered Austria as asylum seekers over the past decade represented the largest group. Radicalized ethnic Bosnians with direct links to cells in Bosnia were the second largest.

Countering the Financing of Terrorism: Austria is a member of the Financial Action Task Force (FATF), and Austria's financial intelligence unit (FIU) is a member of the Egmont Group of Financial Intelligence Units. Austria has a comprehensive legislative and regulatory framework for anti-money laundering/countering the financing of terrorism (AML/CFT), which was further strengthened in 2016 in line with recommendations from FATF. Recent legislative amendments include higher AML penalties, limiting banks' ability to block access to information on customer accounts, and reforms to the FIU's operational procedures and supervisory framework.

Austria criminalizes the financing of terrorism in line with international standards and freezes terrorists' assets in accordance with UN Security Council resolutions implemented through EU legislation. EU regulations targeting terrorist financing, once adopted, are directly applicable in Austria. Money or Value Transfer Services, dealers in precious stones and metals, real estate agents, and exchange houses are monitored and regulated in Austria. Austria has successfully investigated and prosecuted terrorist financing cases, although criminal penalties imposed may not be dissuasive.

Austria implements the collection of Know Your Customer data for wire transfers through EU Regulation 1781/2006/EC. This regulation does not include requirements regarding information on the beneficiary of a wire transfer, and there is no respective national law in place. The Austrian government plans to comply with the new EU Regulation on information accompanying transfers of funds (Regulation 2015/847), however, which was passed May 20, 2015, and enters into force on June 26, 2017. While Austria has taken measures to require closer monitoring of non-profit organizations, this sector is still not required to file suspicious transaction reports.

Austria routinely distributes UN sanctions lists to financial institutions immediately upon receipt of new UN listing decisions.

InternationalSanctions

Noneapplicable

Bribery & Corruption

Index	Rating (100-Good/0-Bad)
Transparency International Corruption Index	75
World Governance Indicator – Control of Corruption	91

Corruption does not impede business in Austria, but there is a small risk of corruption in public procurement. The Austrian Penal Code (in German) criminalises attempted corruption, active and passive bribery, bribery of foreign officials and politicians, extortion, fraud, embezzlement and money laundering. The government has generally implemented anti-corruption law effectively, but some high-level corruption cases have dragged on for many years. Facilitation payments are criminalised, and it is very uncommon for companies to make irregular payments or bribes in the country. **Information provided by GAN Integrity.**

Corruption and Government Transparency - Report by US State Dept

Austria has ratified the United Nations Convention against Corruption (UNCAC), the OECD Anti-Bribery Convention, the Council of Europe's Civil Law Convention on Corruption, and has signed-- but not ratified-- the Criminal Law Convention on Corruption. Austria is a member of the Group of States against Corruption (GRECO) within the Council of Europe. Austria is also a participating member of the OECD Working Group on Bribery. Transparency International's (TI) 2013 Corruption Perceptions Index ranked Austria 26th-- down one rank from 2012. U.S. firms have not identified corruption as an impediment to investment in Austria.

Corruption cases are routinely reported in the media. Enforcement, although improving, is still moderate and legal proceedings in corruption cases are slow. A special committee formed by Parliament in fall 2011 to investigate a number of high-profile corruption cases, some involving current or past senior government officials, produced alarming results, but was ended by the governing coalition parties in October 2012. Watchdog groups such as Transparency International are active, but play no formal role.

According to the European Commission's first EU Anti-Corruption Report of 2014, Austria has strengthened its fight against corruption by efforts in prevention and prosecution. In this report, the Commission suggests that Austria makes access to bank account information easier in cases of suspected corruption. Polls by the Commission show that 66% of the Austrians (76% of the Europeans) agree that corruption is widespread in their home country and that 5% of the Austrians (4% of the Europeans) have been asked or expected to pay a bribe in the past year.

Corruption provisions in Austria's Criminal Code cover managers of Austrian public enterprises, civil servants and other officials (with functions in legislation, administration, or justice on behalf of Austria, in a

foreign country, or an international organization), representatives of public companies, and domestic members of Parliament, government members, and mayors. The term "corruption" includes the following: active and passive bribery; illicit intervention; abuse of office; and accepting consideration. Corruption can sometimes include a private manager's fraud, embezzlement, breach of trust, or accepting consideration.

Criminal penalties for corruption include imprisonment of up to 10 years for all parties involved. Bribes are not tax deductible for companies making them. A separate law, the Law on Responsibility of Associations, deals with criminal responsibility for legal entities and partnerships. The law covers all criminal offenses, including corruption, money laundering, and serious tax offenses that are subject to the Tax Offences Act; fines can rise to as much as €1.8 million (\$2.4 million). Austria has a special public prosecutor's office with Austrian-wide authority for corruption cases. The Lobbying Act of 2013 introduced binding rules of conduct for lobbying and requires domestic and foreign organizations to register with the Austrian Ministry of Justice; a law on financing of political parties requires disclosure of donations exceeding €3,500 (\$4,650).

Section 3-Economy

Austria, with its well-developed market economy, skilled labor force, and high standard of living, is closely tied to other EU economies, especially Germany's. Its economy features a large services sector, a relatively sound industrial sector, and a small, but highly developed agricultural sector.

Economic growth has been relatively weak in recent years, approaching 0.9% in 2015. Austria's 5.8% unemployment rate, while low by European standards, is at its highest since the end of World War II, driven by an increased number of refugees and EU migrants entering the labor market. Without extensive vocational training programs and generous early retirement, the unemployment rate would be even higher.

Although Austria's fiscal position compares favorably with other euro-zone countries, it faces several external risks, such as an unexpectedly weak world economic growth threatening the export market, Austrian banks' continued exposure to Central and Eastern Europe, repercussions from the Hypo Alpe Adria bank collapse, political and economic uncertainties caused by the European sovereign debt crisis, the current refugee crisis, and continued unrest in Russia/Ukraine. Early signs point towards a slight improvement in 2016, driven by low interest rates on government debt. Currently, the budget deficit stands at 2.7% of GDP and public debt has reached a post-war high of 84.2% of the GDP.

Agriculture-products:

grains, potatoes, wine, fruit; dairy products, cattle, pigs, poultry; lumber and other forestry products

Industries:

construction, machinery, vehicles and parts, food, metals, chemicals, lumber, paper and paperboard, communication equipment, tourism

Exports-commodities:

machinery and equipment, motor vehicles and parts, paper and paperboard, metal goods, chemicals, iron and steel, textiles, foodstuffs

Exports-partners:

Germany 29.4%, US 6.4%, Italy 6.1%, Switzerland 5.7%, France 4.4%, Slovakia 4.2% (2015)

Imports-commodities:

machinery and equipment, motor vehicles, chemicals, metal goods, oil and oil products, natural gas; foodstuffs

Imports-partners:

Germany 41.5%, Italy 6.3%, Switzerland 6%, Czech Republic 4.2% (2015)

Banking

Austria, with its well-developed market economy and high standard of living, is closely tied to other EU economies, especially Germany's. Its economy features a large services sector, a sound industrial sector, and a small, but highly developed agricultural sector.

Following several years of solid foreign demand for Austrian exports and record employment growth, the international financial crisis and global economic downturn in 2008 led to a sharp but brief recession. Austrian GDP contracted 3.9% in 2009 but saw positive growth of about 2% in 2010.

Unemployment has not risen as steeply in Austria as elsewhere in Europe, partly because its government has subsidized reduced working hours schemes to allow companies to retain employees. Stabilization measures, stimulus spending, and an income tax reform pushed the budget deficit to 3.5% of GDP in 2009 and 4.7% in 2010, from only about 1.3% in 2008.

The international financial crisis caused difficulties for Austria's largest banks whose extensive operations in central, eastern, and southeastern Europe faced large losses.

The government provided bank support including in some instances, nationalization to prevent insolvency and possible contagion. In the medium-term all large Austrian banks will need additional capital. Even after the global economic outlook improves, Austria will need to continue restructuring, emphasize knowledge-based sectors of the economy, and encourage greater labor flexibility and labor participation to offset growing unemployment and Austria's aging population and low fertility rate.

Stock Exchange

After a steep drop in 2008, the Vienna Stock Exchange (VSE) rebounded in 2009 and 2010. Since 2008, VSE activity has languished due to a lack of IPOs and the delisting of several prominent companies, including Bank Austria and Austrian Airlines. In January 2010, the stock exchanges of Budapest, Ljubljana, Prague, and Vienna became subsidiaries of the Vienna-based CEE Stock Exchange Group (CEESEGAG) holding company. CEESEG accounts for about half of total market capitalization and two-thirds of equity trading volume in CESEE, making it the largest stock exchange group in the region.

Executive Summary

The Austrian government welcomes foreign direct investment, particularly those investments with the potential to create jobs in high technology fields, support capital-intensive industries, and enhance R&D activities.

Austria, with its well-developed market economy, skilled labor force, and high standard of living, is closely tied to other EU economies, especially Germany's. Its economy features a large services sector, a relatively sound industrial sector, and a small, but highly developed agricultural sector.

Economic growth has been relatively weak in recent years, approaching 0.9% in 2015. Austria's 5.8% unemployment rate, while low by European standards, is at its highest since the end of World War II, driven by an increased number of refugees and EU migrants entering the labor market.

The country's geopolitical location between Western European industrialized nations and the growth markets in Central, Eastern, and Southeastern Europe (CESEE) has led to a high degree of economic, social, and political integration with fellow European Union (EU) member states and the CESEE. Border controls between Austria and all of its eight neighboring countries have been lifted under the EU's Schengen Agreement, though partial and sporadic border checks were reintroduced since the start of the refugee crisis in August 2015, which may slow surface traffic. EU enlargements in 2004, 2007, and 2013 strengthened Austria's attractiveness as an investment location by increasing access to markets in Eastern Europe, but expansion also bolstered Austria's competitors in that region in such a manner that nearby Budapest, Prague, and Bratislava now competed directly with Vienna for foreign investment.

Some 320 U.S. companies have investments in Austria; many have expanded their original investments over time. Altogether, Austria offers a stable, advantageous, and attractive climate for foreign investors, albeit one with increasing challenges.

The most positive aspects of Austria's investment climate include:

- Relatively high political stability and harmonious labor-management relations, low incidence of labor unrest;
- Skilled labor in many sectors;
- High productivity and international competitiveness;
- Rule of law;
- Excellent quality of life, personal security, high-quality health, telecommunications, and energy infrastructure.

Negative aspects of Austria's investment climate include:

- A high overall tax burden (despite an attractive corporate tax model and lower income taxes as of 2016);
- Low innovation dynamics;

- A substantial public sector and a complex regulatory system with excessive bureaucracy (also for established businesses).

Key sectors that have historically attracted significant investment in Austria:

- Automotivesector;
- Pharmaceuticals;
- Financialsector;

Key issue to watch:

- The influx of 88,000 asylum seekers in 2015 and a continued flow of asylum seekers and economic migrants might enlarge the diversity of the available workforce, and affect unemployment, social friction, and personal safety concerns.

Table 1

Measure	Year	Index or Rank	Website Address
TICorruptionPerceptionsindex	2015	16 of 168	http://www.transparency.org/cpi2015
WorldBank'sDoingBusinessReport"EaseofDoingBusiness"	2016	21 of 189	doingbusiness.org/rankings
GlobalInnovationIndex	2015	18 of 143	globalinnovationindex.org/content/page/data-analysis
U.S.FDIinpartnercountry(\$MUSD,stockpositions)	2015	USD12,926	https://www.oenb.at/en/Statistics/Standardized-Tables/external-sector/foreign-direct-investment/inward-direct-investment.html

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Austrian government is welcoming of foreign direct investment, particularly when such investment has the potential to create new jobs in high technology fields, promote capital-intensive industries, and enhance links to research and development (for which special tax incentives are available). Officials are also conscious of ensuring that investments avoid a negative impact on the environment. Austria is a high-tax country overall with a heavy personal income tax burden. However, due to a relatively low 25% corporate tax rate, it is attractive as a business headquarters location. Including tax base adjustments, experts estimate the effective corporate tax burden at no more than 22%.

The corporate tax regime also offers a highly favorable framework for group taxation, unique in Europe, which allows businesses to offset profits and losses of group operations (requiring direct or indirect

articipation of more than 50%, but no other financial, economic or organizational integration) in Austria and abroad. This group taxation system offers opportunities for American investors, especially joint-venture structures, merger and acquisition transactions, and corporate headquarters. The eligibility for foreign tax group membership is restricted to those resident in the EU or in a country which has concluded a comprehensive administrative assistance agreement regarding the exchange of information with Austria, such as the United States. The deductibility of losses from the Austrian group's tax base for foreign group members is limited to 75%; the amortization of goodwill-for-share deals was abolished.

All companies active in Austria are affected by a new regulation limiting the tax-deductibility of expenses for high salaries (cash and non-cash benefits) paid to top-level employees earning up to €500,000 (about US\$560,000 at the current exchange rate). Austria has no wealth tax, trade tax, or inheritance/gift tax.

Austria's macroeconomic fundamentals are relatively healthy; however, post-Great Recession fiscal pressures persist, as do repercussions from the Hypo Alpe Adria bank collapse. The economic climate affecting national and international investors will likely be characterized by continued modest economic growth averaging 1-2% through 2018 and a slowly rising unemployment rate of 5.8%. All forecasts are currently beset by high variability due to the fallout of the refugee crisis, the Ukraine/Russian crisis, and related geopolitical risks.

A tax reform package implemented in 2016 is intended to stimulate the economy by reducing income taxes by €5 billion annually; however, most of this amount will be made up through a reduction of tax deductions, an increased land-transfer tax, a high value-added tax on selected products, an increased withholding tax on dividends, unspecified administrative savings, and stepped-up efforts against tax fraud. Thus, while the idea of stimulating the economy may prove successful, the tax reform will only have a minimal impact on Austria's high tax quota of around 44% of GDP, which is unlikely to decrease significantly in the near term.

There are no sectorial or geographic restrictions on foreign investment. In some regions, the government offers special facilities and services ("cluster packages") to foreign investors. For example, these can include incentives for automotive producers, manufacturers of high-tech products, or environmental technologies.

American investors have not complained of discriminatory laws or practices against foreign investors. However, potential investors should factor in Austria's strict environmental regulations and environmental impact assessments into their investment decision-making. Austria's Energy Efficiency Law of 2014, which requires energy providers to create incentives for customers to implement energy savings measures, creates a potential, additional burden for investments in the energy sector. Strict liability and co-existence regulations sharply restrict research and virtually outlaw the cultivation, marketing, or distribution of biotechnology crops.

Other Investment Policy Reviews

Not applicable.

Laws/Regulation on Foreign Direct Investment

There is no discrimination against foreign investors, but businesses are required to follow numerous regulations. Although there is no requirement for participation by Austrian citizens in ownership or management, at least one manager must meet Austrian residency and other legal requirements. Non-residents must appoint a representative in Austria. Expatriates are allowed to deduct certain expenses (costs associated with moving, maintaining a double residence, education of children) from Austrian-earned income. Austrian immigration law requires those applying for residency permits to take German language courses/exams, but a university degree automatically fulfills this requirement.

Business Registration

Austria's national investment promotion company, the Austrian Business Agency (ABA), is the first point of contact for foreign companies aiming to establish their own business in Austria. It is owned and operated by the Austrian government. ABA provides consulting services to firms interested in setting up business operations in Austria, focusing on all issues relevant to selecting an appropriate location. In addition, they provide information about Austria as a business location, and proactively approach potential investors. There are several forms of companies that can be set up in Austria. Foreign investors need a trade license, must register with the tax and social security authorities, and become mandatory members of the Austrian Economic Chamber. There is no special treatment for small and medium-sized companies. ABA can provide the necessary information. Their website contains further details and contact information:

<http://investinaustria.at/en/>.

Industrial Promotion

ABA provides promotion in form of investment consulting, site selection, handling formalities and support after project completion particularly in the automotive, chemicals, environmental technologies, industrial equipment, and metal manufacturing sectors.

Limit on Foreign Control and Right to Private Ownership and Establishment

For non-

EU citizens to establish and own a business, the Austrian Foreigners' Law mandates a residence permit that includes the right to run a business. The right to run a business in many sectors is only granted when preconditions are met, such as certificates of competence, and recognition of foreign education. There are no limitations to ownership of private businesses, and to our knowledge no American investors have alleged sector-specific restrictions.

Privatization Program

The government has not privatized any public enterprises since 2007. Austrian public opinion regarding further privatization remains skeptical and the senior governing coalition partner Social Democratic Party (SPÖ) is on record opposing additional privatizations. The current government program does not identify any public enterprises for privatization, but the government may reduce some of its shareholdings while retaining a blocking minority share. In past privatizations, foreign and domestic investors received equal treatment. Despite a historical government preference for maintaining blocking minority rights for domestic shareholders, foreign investors have successfully gained full control of enterprises in several strategic sectors of the Austrian economy, including telecommunications, banking, power generation, and infrastructure.

Screening of FDI

The Austrian Foreign Trade Act (FTA) requires advance approval by the Austrian Ministry of Economic Affairs for foreign acquisitions of a relevant stake (25%) in enterprises in certain strategic industries (with sales over €700,000 per year), comprising a wider range of sectors. The government believes that only by such a restriction on FDI can it guarantee national security and provide public services safely. Strategic sectors include not only internal and external security industries, such as defense and security services, but also public order and safety, procurement and crisis services. The latter include hospitals, ambulance and emergency medical services; firefighters and civil protection services; energy and gas supply; water supply; telecoms; railways; road traffic; universities; schools of various types and pre-schooling institutions.

For the purposes of the FTA regime, EU, European Economic Area, and Swiss citizens are not considered foreign.

There are two different procedures under the FTA: (i) an ex ante approval, and (ii) an ex officio review. The ex ante approval procedure takes one month from submission of the application to approval (phase I) and, in case of an in-depth review, an additional two months (phase II).

Under the ex ante approval regime, the potential acquirer must submit the application before (i) entering into a legally binding commitment to acquire the relevant stake or (ii) announcing the launch of a public tender offer with respect to such target. During a phase I review, the transaction must be approved or a phase II review will be initiated.

A decision by the Ministry of Economy must be published. If it issues no decision during the one-month timeframe, the transaction is deemed as approved. The FTA does not, however, provide for any procedure for a (non-binding) assessment or a negative clearance. An investor would thus have to initiate the formal approval process to obtain legal certainty.

Competition Law

Austria's Anti-Trust Act is in line with European Union anti-trust regulations, which take precedence over national regulations in cases concerning Austria and other EU member states. The Austrian Anti-Trust Act prohibits cartels, anti-competitive practices, and the abuse of a dominant market position. The independent Federal Competition Authority (FCA) and the Federal Cartel Prosecutor (FCP) are responsible for administering anti-trust laws. The FCA can conduct investigations and request information from firms. Private parties are enabled to file damage claims based on an infringement of Austrian and European anti-trust rules.

Companies must inform the FCA of mergers and acquisitions (M&A). Special M&A regulations apply to media enterprises. A cartel court is competent to rule on M&A notifications from the FCA or the FCP. In case of violations of anti-trust regulations, the cartel court can impose fines of up to the equivalent of 10% of a company's annual worldwide sales. An independent energy regulator separately examines anti-trust concerns in the energy sector, but must also submit cases to the cartel court.

Austria's Takeover Law applies to friendly and hostile takeovers of corporations headquartered in Austria and listed on the Vienna Stock Exchange. The law protects investors against unfair practices, sinc

any shareholder obtaining a controlling stake in a corporation (30% or more in direct or indirect control of a company's voting shares) must offer to buy out smaller shareholders at a defined "fair market" price. The law also includes provisions for shareholders who passively obtain a controlling stake in a company, i.e. not by buying additional shares, but because another large shareholder has reduced his/her shareholding. The law prohibits defensive action to frustrate bids. The Shareholder Exclusion Act allows a primary shareholder with at least 90% of capital stock to squeeze out minority shareholders. An independent takeover commission at the Vienna Stock Exchange oversees compliance with these laws.

2. Conversion and Transfer Policies

Foreign Exchange

Austria has no restrictions on cross-border capital transactions, including the repatriation of profits and proceeds from the sale of an investment, for non-residents and residents. The Euro, a freely convertible currency and the only legal tender in Austria and 18 other Euro-zone member states, shields investors from exchange rate risks within the Euro-zone.

Remittance Policies

Not applicable.

3. Expropriation and Compensation

According to the European Convention of Human Rights (applicable in Austria) and the Austrian Civil Code, property is inviolable in Austria. Expropriation of private property in Austria is rare and may proceed only on the basis of special legal authorization, primarily for infrastructure projects. The government can initiate it only in the absence of any other alternative to satisfy the public interest; when the action is exclusively in the public interest; and when the owner receives just compensation. The expropriation process is non-discriminatory toward foreign, including U.S. firms. There is no indication that significant expropriation will take place in the foreseeable future.

4. Dispute Settlement

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

The Austrian legal system is based on Roman law. The constitution establishes a hierarchy, according to which each legislative act (law, regulation, decision, and fines) must have its legal basis in a higher instrument. The system provides an effective means for protecting property and contractual rights of nationals and foreigners. The judicial system is independent from the executive branch, but sensitive cases must be reported to the Minister of Justice who can issue instructions. Austria's civil courts enforce property and contractual rights and do not discriminate against foreign investors. Commercial matters fall within the competence of ordinary regional courts, except in Vienna which has a specialized Commercial Court, which also has Austrian-wide competence for trademark, design, model and patent matters. There is no special treatment of foreign investors.

Bankruptcy

The Austrian Insolvency Act contains provisions for business reorganization and bankruptcy proceedings. Reorganization requires a restructuring plan from the still solvent debtor. The plan must offer a quota of at least 20% of the debtor's obligation and be adopted by a majority of all creditors and a majority of creditors holding at least 50% of all claims. Bankruptcy proceedings are in court and opened upon application of the debtor or a creditor; the court appoints a receiver for winding down the business and distributes proceeds to the creditors.

Investment Disputes

There has been no experience with investment disputes against Austria in the last decades. In 2015, for the first time, the Austrian government was sued by the offshore parent company of the Austrian Meibank, Far East, before the International Center for Settlement of Investment Disputes (ICSID) of the World Bank in New York because of alleged damages arising from domestic prosecution. Many observers expect the case to be dismissed.

International Arbitration

Austria does not have a BIT or FTA with the United States. There is no special domestic arbitration body.

ICSID Convention and New York Convention

Austria is a member of both the ICSID and the New York Convention on the Recognition and Enforcement of Foreign Arbitral Law, meaning local courts must enforce foreign arbitration awards in Austria. There is no specific domestic legislation in this regard.

Duration of Dispute Resolution – Local Courts

Not applicable

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The Austrian government has not notified the WTO of any domestic measures inconsistent with Trade Related Investment Measures (TRIMs) requirements. U.S. Embassy Vienna has not been notified of any complaints or reports regarding any measures that are alleged to violate the WTO's TRIMs obligations.

Investment Incentives

Austria offers financial and tax incentives (within EU competition policy limits) to firms undertaking projects in economically underdeveloped areas. In most of these areas, eligibility for co-financing subsidies under EU regional and cross-border programs has gradually declined under the EU's financial frameworks, but might still account for around €200 million per year (mainly for rural areas) within the new EU "Common Strategic Framework" for the period 2014 to 2020.

Financial incentives provided by Austrian federal, state, and local governments to promote investments are equally available to domestic and foreign investors and include tax incentives, preferential loans, loan guarantees, and grants. Most of these incentives are available only in the event that the investment meets specified criteria, including employment creation and use of high technology. Tax all

owances for advanced employee training and R&D expenditures are also available, as are pre-seed and seed financing options for start-ups and cash grants up to 80% for later-stage companies.

Austria's Wirtschaftsservice (AWS) is the government's institution that provides financial incentives. Additional information on targeted investment incentives (German language only) is available at <http://www.awsg.at>. Information on investment incentives in English language is available on the website of the ABA (see chapter 1.3.) at <http://investinaustria.at/en/>

Research and Development

Austria offers an attractive incentives system for research and development (R&D) activities from various government agencies. They are available for foreign-owned enterprises, as well. ABA (see above) is a good starting point. The agencies include:

- The Austrian Research Promotion Agency (FFG) promotes R&D by companies along the entire innovation chain. Funding volume per year is up to \$500 million. <https://www.ffg.at/en>
- The Austrian Science Fund (FWF) is the country's central body for the promotion of basic research. Funding volume per year is over \$200 million. <https://www.fwf.ac.at/en/>
- AWS (see above) is the funding bank for corporate business development. Total funding is over \$900 million

Performance Requirements

There are virtually no restrictions on foreign investment in Austria and foreign investors receive national treatment. The Austrian government may impose performance requirements when foreign investors seek financial or other assistance from the government, although there are no performance requirements to gain access to tax incentives. There is no requirement that Austrian nationals hold shares in foreign investments or for technology transfer, and no requirement for foreign investors to use domestic contenting goods or technology.

Austria offers several non-immigrant business visa classifications, including intra-company transfers/rotational workers, and employees on temporary duty. Recruitment of long-term, overseas specialists or those with managerial duties is governed by a points-based immigration scheme to attract skilled workers and specialists in individual sectors (points are available for qualification, education, age, and language skills). This red-white-red (RWR) model has been designed to react flexibly to rising demand for talent in different occupations and is available to highly qualified individuals, qualified specialists/craftsmen in certain understaffed professions (qualified labor and registered nurse jobs), and key personnel/professionals. Applicants must have an offer of employment to apply for the RWR.

Highly qualified individuals may apply locally in Austria, or opt to find a potential employer from abroad and have the company apply in Austria on their behalf. Once the application is approved, the visa office authorizes the Austrian Embassy or consulate to issue the visa to enter Austria and to pick up the RWR card. Austrian immigration law requires those applying for residency permits to take German language courses and exams.

While principal RWR applicants are exempt from any language requirement, family members of RWR applicants must submit proof of basic language proficiency ("A1 level") when first applying for residence permits and need to take advanced proficiency German language courses/exams ("A2 level") within a two-

year timeframe. Family members of highly qualified individuals ("Besonders Hochqualifizierte") are exempt from the A1, but not from the A2 requirement. A university-degree automatically fulfills the A2 requirement.

Data Storage

The government does not follow a "forced localization" policy or force foreign IT providers to turnover source code or provide access to surveillance. Available communication data, however, must be transferred to the authorities following a court judgment for individual cases.

In principle, transfer of data to foreign countries is subject to authorization by the Austrian Data Protection Authority (DPA). Authorization is not needed for data that has been published in Austria in accordance with domestic laws, has been transmitted to a foreign country with the agreement of the data holder, or can only indirectly be defined as personal. Data subject to authorization must be published in a public data register. The transfer of data to U.S. companies in the United States should not be subject to authorization under the rules of the U.S.-

EU "Privacy Shield" agreement once it enters into force. This agreement will replace the "Safe Harbor Agreement".

The Austrian Data Protection Authority is charged with supervision of data protection in Austria. Phone: +43-1-53115-202525, e-mail: dsb@dsb.gv.at

6. Protection of Property Rights

Real Property

The Austrian legal system protects secured interests in property. For any real estate agreement to be effective, owners must register electronically with the land registry. In case of dedication of land, approval of the land transfer commission or the office of the state governor is required. The land registry, overhauled in 2012 to speed up registration procedures and reduce costs, is a reliable system for recording interests in property, and access to the registry is public.

Intellectual Property Rights

Austria has effective laws to protect intellectual property rights, including patent and trademark laws, a law protecting industrial designs and models, and a copyright law. Austria is a party to the World Intellectual Property Organization (WIPO) and several international property conventions, including the European Patent Convention, and the Universal Copyright Convention. Since both the United States and Austria are members of the "Paris Union" International Convention for the Protection of Industrial Property, American investors are entitled to the same protection under Austrian patent legislation as Austrian nationals.

Austria is not listed in the USTR's Special 301 report, but Austria's trade secrets regime is a concern for some innovative U.S. businesses. While Austria offers protection for trade secrets, some U.S. companies complain that gaps in the system make it unlikely that confidential information will be safe from bad actors. For instance, if a party trusted with a "non-technical" secret, such as a go-to-market strategy or list of customers, discloses it, there is no criminal liability. Similarly, a competitor can make use of confidential information here receives, as long as the party providing it originally received it

egitimately. The Austrian government along with industry is reevaluating their trade secrets regime in order to address concerns.

Austria's Copyright Act is in conformity with EU directives on intellectual property rights and grants authors the exclusive right to publish, distribute, copy, adapt, translate, and broadcast their work. The law also regulates copyright of digital media (restrictions on private copies), works on the Internet, protection of computer programs, and related damage compensation. Infringement proceedings, however, can be time-consuming and costly. Film and music industry representatives have been in a legal dispute with Internet providers to block access to pirated audiovisual products over the Internet: In July 2015, the Austrian High Court confirmed the European Court of Justice (ECJ) ruling from 2014 that the Austria-based Internet provider UPC must prevent access to illegal streaming platforms once made aware of a copyright violation. In line with EU requirements, Austria also has a law against trade in counterfeit articles. In 2014 (latest figures), Austrian customs authorities confiscated pirated goods worth €5.7 million (\$6.1 million).

Patent Prosecution Highway: Since 2010, a "Patent Prosecution Highway" (PPH) agreement between the United States and Austria is in force. PPH allows filing of streamlined applications for inventions determined to be patentable in other participating countries and is expected to reduce the average processing time. The program, which is based on information sharing between national patent offices and standardized application and examination procedures, should reduce costs and encourage greater utilization of the patent system. Austria is also participating in the Global Patent Prosecution Highway (Global PPH) pilot program, which started in January 2014.

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

Resources for Rights Holders

Contact Point at Post for IP Issues:
Jim Bangert, Economic Unit Chief
Embassy of the United States
Boltzmanngasse 16
1090 Vienna, Austria
Phone: +43-(0)1-31339-2299
E-Mail: bangertj@state.gov

Country-specific resources:
American Chamber of Commerce in Austria
Porzellangasse 39/7
1090 Vienna
Phone: +43-(0)1-3195751
E-Mail: office@amcham.at

Link to Post's list of local lawyers: <http://austria.usembassy.gov/attorney.html>

7. Transparency of the Regulatory System

Austria's legal, regulatory, and accounting systems are transparent and consistent with international norms. Ministries generally publish draft laws and regulations for public comment prior to their adoption by Austria's cabinet (Ministerrat) and/or Parliament. Such relevant stakeholders as the "Social Partners" (Economic Chamber, Agriculture Chamber, Labor Chamber, and Trade Union Association) and the Industrial Association are invited to provide comments and suggestions for improvement, which may be taken into account before adoption of laws. This mechanism encompasses investment laws, as well.

The government has made progress in streamlining its complex and cumbersome requirements for business licenses and permits. It claims to have reduced the processing time for permits to less than three months, except for large projects requiring an environmental impact assessment. The government's "one-stop shop" for business permits does not include plant and building permits. All licensed businesses in Austria (including foreign-owned enterprises) must be members of Austria's Economic Chamber and pay compulsory dues; the Chamber plays an administrative role in some areas (including retailing, tourism, and certification of skilled labor).

The government does not influence the allocation of investments among sectors. It uniformly applies tax and labor laws as well as health and safety standards. Austrian regulations governing accounting provide U.S. investors with internationally standardized financial information. In line with pertinent EU regulations, listed companies must prepare their consolidated financial statements according to the International Financial Reporting Standards (IAS/IFRS) system.

8. Efficient Capital Markets and Portfolio Investment

Austria has modern and sophisticated financial markets, to which foreign investors have access with few restrictions. All financial instruments are available. Credit is available at market-determined rates. There are no signs of a credit crunch, although tightening of credit standards for loans is notable as banks work to improve the quality of their loan portfolios.

Austria's Anti-Money Laundering/Combating Terrorist Financing (AML/CTF) regime is in line with Financial Action Task Force (FATF) standards. Criminal penalties apply to insider trading, money laundering (including self-laundering), and terrorist financing. Bearers of shares are not allowed except for companies listed on a recognized stock exchange.

Money and Banking System, Hostile Takeovers

Austria has a highly developed banking system with worldwide correspondent banks, and representative offices and branches in the United States and other major financial centers. Large Austrian banks also have extensive networks in Central and Southeast European (CESEE) countries and the countries of the former Soviet Union. Due to U.S. government reporting requirements, some private banks do not accept personal accounts from U.S. citizens, though locally incorporated businesses belonging to U.S. investors have not reported problems in this regard. Austria's three largest banking groups (Erste Group, UniCredit Bank Austria, and Raiffeisen Zentralbank with Raiffeisen Bank International) comprise close to half of Austria's total banking sector assets. Several Austrian banks are currently restructuring

and downsizing in an attempt to shed risky loans in certain parts of CEE and focus on a narrower but more stable portfolio.

To ensure the safety and soundness of the European banking system, the Eurozone's new single supervisory mechanism (SSM), one of the two pillars of the EU banking union, along with the Single Resolution Mechanism (SRM) have been established. The SSM, headed by the European Central Bank (ECB) in cooperation with the national competent authorities Financial Market Authority (FMA) and Austrian National Bank (OeNB), started operating November 2014. Six Austrian banks with assets in excess of €30 billion (\$33 billion) are subject to the SSM, plus Sberbank Europe, AG, and VTBBank (Austria), AG, which are Russian bank subsidiaries headquartered in Austria. All other Austrian banks continue to be subject to Austria's dual-oversight bank supervision system with roles for both the OeNB and the FMA, which are also responsible for policing irregularities on the stock exchange and for supervising insurance companies, securities markets, and pension funds.

9. Competition from State-Owned Enterprises

Austria has two major wholly owned state-owned enterprises (SOEs): The ÖBB (Austrian Federal Railways) and Asfinag (highway financing, building, maintenance and administration). Other government industry holding companies are bundled in the government holding company ÖBIB: www.obib.co.at. They include a 53% stake in the Post Office, 33% in the Austrian Casinos, 31.5% in the energy company OMV, 28% in the Telekom Austria Group, and a few other minor ventures. The federal government also owns 51% of the energy company Verbund AG. State governments own the majority of utilities and Vienna Airport. Private enterprises in Austria can compete with public enterprises under the same terms and conditions with respect to market access, credit, and other such business operations as licenses and supplies. As a member of the EU, Austria is also a party to the Government Procurement Agreement (GPA) of the WTO, and the SOEs are at least indirectly covered (as far as they are entities monitored by the Austrian Court of Auditors).

After many successful privatizations in the last decade, SOEs are concentrated in utilities, hospitals, social insurance, infrastructure, and state monopolies (e.g., gambling). In many of these sectors (e.g., hospitals, utilities) private companies compete successfully; however, SOEs occasionally use political ties to prolong dispute resolution and appeal procedures and/or delay implementation of remedies, which in some markets can lead to significant uncertainties. While most SOEs must finance themselves under terms similar to private enterprises, some large SOEs (such as ÖBB) benefit from state-subsidized pension systems.

Since many public enterprises are outsourced and organized as stock corporations, senior management usually does not directly report to a minister, but to an oversight board. However, the government often appoints management and board members, who usually have strong political affiliations.

OECD Guidelines on Corporate Governance of State-Owned Enterprises

SOEs adhere to the OECD guidelines on Corporate Governance.

Sovereign Wealth Funds

Austria has no sovereign wealth funds.

10. Responsible Business Conduct

In recent years, awareness of corporate social responsibility (CSR) has risen among Austrian producers and consumers. Major Austrian companies follow generally accepted CSR principles and publish a CSR chapter in their annual reports; many also provide information on their health, safety, security, and environmental activities. CSREurope (the leading European business network for CSR) has a local partner organization respACT (short for "responsible action").

Austria adheres to the OECD Guidelines for Multinational Enterprises; the Austrian national contact point has an office in the Federal Ministry of Science, Research and Economy and actively promotes the Guidelines to companies, universities and other stakeholders.

<https://mneguidelines.oecd.org/ncps/austria.htm>

The Austrian Kontrollbank, the Austrian export credit agency, likewise promotes information on CSR issues, principles and standards, including the Guidelines, on its website. <http://www.oekb.at/en/about-oekb/sustainability/Pages/Sustainability.aspx>

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11. Political Violence

There have been no incidents of politically motivated damage to foreign businesses. Civil disturbances are very rare.

12. Corruption

Corruption does not significantly affect business in Austria and businesses have a high degree of confidence in the Austrian legal system. However, there is a small risk of corruption occurring in public procurement, most commonly in the form of criteria that is tailor-made for certain participants. More than one third of businesses believe nepotism to be widespread within the public administration. In order to combat this, the government has initiated reform projects, including one-stop-shops and e-government mechanisms to minimize encounters between government officials and companies in these instances.

Anti-corruption laws are generally implemented effectively although procedures are slow with some high-level cases lasting several years. Watchdog groups such as Transparency International are active, but play no formal role.

According to the European Commission's first EU Anti-Corruption Report of 2014, Austria has strengthened its fight against corruption by efforts in prevention and prosecution. In this report, the Commission suggests that Austria makes access to bank account information easier in cases of suspected corruption. Polls by the Commission show that 66% of Austrians (76% of Europeans) agree that corruption is widespread in their home country and that 5% of Austrians (4% of Europeans) have been asked or are expecting to pay a bribe in the past year.

Corruption provisions in Austria's Criminal Code cover managers of Austrian public enterprises, civil servants and other officials (with functions in legislation, administration, or justice on behalf of Austria, in a foreign country, or an international organization), representatives of public companies, and domestic members of Parliament, government members, and mayors. The term "corruption" includes the following: active and passive bribery; illicit intervention; abuse of office; and accepting consideration. Corruption can sometimes include a private manager's fraud, embezzlement, breach of trust, or accepting consideration.

Criminal penalties for corruption include imprisonment of up to 10 years for all parties involved and fines can rise to as much as €1.8 million (\$2 million). The jurisdiction of corruption investigations rests with the Austrian Federal Bureau of Anti-Corruption and covers corruption taking place both within and outside the country. The Lobbying Act of 2013 introduced binding rules of conduct for lobbying and requires domestic and foreign organizations to register with the Austrian Ministry of Justice; a law on financing of political parties requires disclosure of donations exceeding €3,500 (\$3,860).

UN Anti-corruption Convention, OECD Convention on Combatting Bribery

Austria has ratified the United Nations Convention against Corruption (UNCAC), the OECD Anti-Bribery Convention, the Council of Europe's Civil Law Convention on Corruption, and the Criminal Law Convention on Corruption. Austria is a member of the Group of States against Corruption (GRECO) within the Council of Europe.

Resources to Report Corruption

Contacts at government agencies responsible for combating corruption:

Wirtschafts- und Korruptionsstaatsanwaltschaft
(Central Public Prosecution for Business Offenses and Corruption)
Dampfschiffstraße 4
1030 Vienna, Austria
Phone: +43-(0)1-521520
E-Mail: wksta.leitung@justiz.gv.at

BAK – Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung
(Federal Agency for Preventing and Fighting Corruption)
PO Box 100

1014 Vienna, Austria
Phone: +43-(0)1-53126-6800
E-Mail: BMI-IV-BAK-SPOC@bak.gv.at
Internet: <http://www.bak.gv.at>

Contact at "watchdog" organization:
Transparency International – Austrian Chapter
Berggasse 7
1090 Vienna, Austria
Phone: +43-(0)1-960760
E-Mail: office@ti-austria.at

13. Bilateral Investment Agreements

The United States and Austria are signatories to a 1931 bilateral Treaty of Friendship, Commerce, and Consular Rights. Austria, along with all EU Member States, has assigned a negotiating mandate for the European Commission to negotiate the Transatlantic Trade and Investment Partnership (TTIP) with the United States, which includes an investment chapter.

Austria has bilateral investment agreements in force with Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Belize, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, Cuba, Czech Republic, Egypt, Estonia, Ethiopia, Georgia, Guatemala, Hong Kong, Hungary, India, Iran, Jordan, Kazakhstan, Kuwait, Latvia, Lebanon, Libya, Lithuania, Macedonia, Malaysia, Malta, Mexico, Moldova, Mongolia, Montenegro, Morocco, Namibia, Oman, Paraguay, Philippines, Poland, Romania, Russia, Saudi Arabia, Serbia, Slovakia, Slovenia, South Korea, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, Vietnam, and Yemen.

Austria has assigned an agreement with Nigeria, and signed and ratified agreements with Cambodia and Zimbabwe, but those agreements are still pending ratification by those countries and have not yet entered into effect. Until new agreements take effect, prior agreements with the former Czechoslovakia continue to apply to the Czech Republic and Slovakia, and that with the former Soviet Union to Russia.

Under all these agreements, if parties cannot amicably settle investment disputes, a claimant submits the dispute to the International Center for Settlement of Investment Disputes (ICSID) or an arbitration court according to the UNCITRAL arbitration regulations.

Bilateral Taxation Treaties

Austria and the United States are parties to a bilateral double taxation convention covering income and corporate taxes, which went into effect on February 1, 1998. Another bilateral double taxation convention (covering estates, inheritances, gifts and generation-skipping transfers) has been in effect since 1982. Austria and the United States signed the Foreign Account Tax Compliance Act (FATCA) Agreement on April 29, 2014, covering U.S. citizen account holders in Austria. The FATCA Agreement went into force December 9, 2014.

14. Foreign Trade Zones/Free Ports/Trade Facilitation

Not applicable

15. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table2:KeyMacroeconomicData,U.S.FDIinHostCountry/Economy

EconomicData	HostCountryStatisticalsource*		USGorinternationalstatisticalsource		USGorInternationalSourceofData: BEA;IMF;Eurostat;UNCTAD,Other
	Year	Amount	Year	Amount	
HostCountryGrossDomesticProduct(GDP) (\$billionsUSD)	2015	370.9	2014	436.9**	www.worldbank.org/en/country
ForeignDirectInvestment	HostCountryStatisticalsource*		USGorinternationalstatisticalsource		USGorinternationalSourceofdata: BEA;IMF;Eurostat;UNCTAD,Other
U.S.FDIinpartnercountry(\$MUSD,stockpositions)	2015	12,926	2014	15,787	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Hostcountry'sFDIintheUnitedStates(\$MUSD,stockpositions)	2015	11,220	2014	6,887	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
TotalinboundstockofFDIas%ofGDP	2015	44.9	2014	N/A	N/A

*GDP:StatisticsAustria:http://www.statistik.at/web_de/statistiken/volkswirtschaftliche_gesamtrechnungen/index.html*ForeignDirectInvestment:AustrianNationalBank:<http://www.oenb.at/>

**Discrepancyoffiguresmainlyduetoexchangeratedifferencesbetween2015and2014.

Table3:SourcesandDestinationofFDI

The table below reflects 2014 IMF figures for Austrian FDI, which encompasses all FDI including so-called special purpose entities (SPEs) with only limited business activity. <http://cds.imf.org>

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (USDollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	280,723	100%	Total Outward	324,870	100%
Germany	46,265	16%	Germany	29,175	9

Netherlands	29,372	10%	Netherlands	20,776	6
RussianFederation	23,157	8%	CzechRepublic	12,391	4
Luxembourg	17,264	6%	Romania	11,148	3
Italy	16,966	6%	Luxembourg	9,307	3
"0"reflectsamountsroundedto+/-USD500,000.					

Table4:SourcesofPortfoliInvestment

Source:IMF:<http://cpis.imf.org>

PortfoliInvestmentAssets								
TopFivePartners(Millions,USDollars)								
Total			EquitySecurities			TotalDebtSecurities		
AllCountries	Amount	100%	AllCountries	Amount	100%	AllCountries	Amount	100%
Germany	55,894	17%	Luxembourg	30,925	31%	Germany	31,841	15%
Luxembourg	40,043	13%	Germany	24,053	24%	France	23,186	11%
UnitedStates	29,098	9%	UnitedStates	10,803	11%	Italy	20,778	9%
France	28,506	9%	Ireland	7,713	8%	UnitedStates	18,295	8%
Italy	21,506	7%	France	5,320	5%	Netherlands	17,739	8%

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](#)

Legalsystem:

civil law system; judicial review of legislative acts by the Constitutional Court

International organization participation:

ADB (nonregional member), AfDB (nonregional member), Australia Group, BIS, BSEC (observer), CD, CE, CEI, CERN, EAPC, EBRD, ECB, EIB, EMU, ESA, EU, FAO, FATF, G-9, IADB, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IEA, IFAD, IFC, IFRC, IGAD (partners), ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MINURSO, NEA, NSG, OAS (observer), OECD, OIF (observer), OPCW, OSCE, Paris Club, PCA, PFP, Schengen Convention, SELEC (observer), UN, UNCTAD, UNDOF, UNESCO, UNFICYP, UNHCR, UNIFIL, UNTSO, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO, ZC
















Section 6 - Tax

Exchange control

Most exchange controls have been abolished in recent years. There are hardly any restrictions on the transfer of capital and currency transactions.


























Treaty and non-treaty withholding tax rates









Austria has signed **92 agreements (87 DTC and 5 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	
Albania	DTC	14 Dec 2007	1 Sep 2008	No	No	
Algeria	DTC	17 Jun 2003	1 Dec 2006	No	No	
Andorra	TIEA	17 Sep 2009	10 Dec 2010	Yes	Yes	
Armenia	DTC	27 Feb 2002	1 Mar 2004	No	No	
Australia	DTC	8 Jul 1986	1 Sep 1988	No	No	
Azerbaijan	DTC	4 Jul 2000	23 Feb 2001	No	No	
Bahrain	DTC	2 Jul 2009	1 Feb 2011	Yes	Yes	
Barbados	DTC	27 Feb 2006	1 Apr 2007	No	No	
Belarus	DTC	16 May 2001	9 Mar 2002	No	No	
Belgium	DTC	29 Dec 1971	28 Jun 1973	Yes	No	
Belgium	DTC Protocol	10 Sep 2009	not yet in force	Yes	Yes	
Belize	DTC	8 May 2002	1 Dec 2003	No	No	
Bosnia and Herzegovina	DTC	16 Dec 2010	1 Jan 2012	No	Yes	
Brazil	DTC	24 May 1975	1 Jul 1976	No	No	
Bulgaria	DTC	20 Jul 2010	3 Feb 2011	No	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date Entered into Force	Meets Standard	Contains para 4 and 5	
Canada	DTC	9 Dec 1976	17 Feb 1981	No	No	
Canada	DTC Protocol	9 Mar 2012	not yet in force	Yes	Yes	
Chile	DTC	6 Dec 2012	not yet in force	Yes	Yes	
China	DTC	10 Apr 1991	1 Nov 1992	No	No	
Croatia	DTC	21 Sep 2000	27 Jun 2001	No	No	
Cuba	DTC	26 Jun 2003	12 Sep 2006	No	No	
Cyprus	DTC	20 Mar 1990	1 Jan 1991	Yes	Yes	
Czech Republic	DTC	8 Jun 2006	22 Mar 2007	Yes	Yes	
Denmark	DTC	25 May 2007	28 Mar 2008	Yes	Yes	
Egypt	DTC	16 Oct 1962	28 Oct 1963	No	No	
Estonia	DTC	5 Apr 2001	12 Nov 2002	Yes	No	
Finland	DTC	26 Jul 2000	1 Apr 2001	Yes	Yes	
Former Yugoslav Republic of Macedonia	DTC	10 Sep 2007	20 Jan 2008	No	No	
France	DTC	26 Mar 1993	1 Sep 1994	Yes	Yes	
Georgia	DTC	11 Apr 2005	1 Mar 2006	No	No	
Georgia	DTC Protocol	4 Jun 2012	not yet in force	Yes	Yes	
Germany	DTC	24 Aug 2000	18 Aug 2002	Yes	Yes	
Gibraltar	TIEA	17 Sep 2009	1 May 2010	Yes	Yes	
Greece	DTC	18 Jul 2007	1 Apr 2009	Yes	No	
Hong Kong, China	DTC	25 May 2010	1 Jan 2011	Yes	Yes	
Hungary	DTC	25 Feb 1975	9 Feb 1976	Yes	No	
India	DTC	8 Nov 1999	5 Sep 2001	No	No	
Indonesia	DTC	24 Jul 1986	1 Oct 1988	No	No	
Iran	DTC	11 Mar 2002	11 Jul 2004	No	No	
Ireland	DTC	24 May 1966	5 Jan 1968	Yes	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date Entered into Force	Meets Standard	Contains Parameters 4 and 5	
Israel	DTC	29 Jan 1970	26 Jan 1971	No	No	
Italy	DTC	29 Jun 1981	6 Apr 1985	Yes	No	
Japan	DTC	20 Dec 1961	4 Apr 1963	No	No	
Jersey	TIEA	7 Sep 2012	1 Jun 2013	Yes	Yes	
Kazakhstan	DTC	10 Sep 2004	1 Mar 2006	No	No	
Korea, Republic of	DTC	8 Jan 1985	1 Dec 1987	No	No	
Kuwait	DTC	13 Jun 2002	1 Mar 2004	No	No	
Kyrgyzstan	DTC	18 Sep 2001	1 May 2003	No	No	
Latvia	DTC	14 Dec 2005	16 May 2007	Unreviewed	No	
Libya	DTC	16 Sep 2010	not yet in force	Unreviewed	Yes	
Liechtenstein	DTC	5 Nov 1969	7 Dec 1970	No	No	
Liechtenstein	DTC Protocol	29 Jan 2013	not yet in force	Yes	Yes	
Lithuania	DTC	6 Apr 2005	17 Nov 2005	Yes	No	
Luxembourg	DTC	18 Oct 1962	7 Feb 1964	Yes	Yes	
Malaysia	DTC	20 Sep 1989	1 Dec 1990	No	No	
Malta	DTC	29 May 1978	13 Jul 1979	Yes	No	
Mexico	DTC	13 Apr 2004	1 Jan 2005	No	Yes	
Moldova, Republic of	DTC	29 Apr 2004	1 Jan 2005	No	No	
Monaco	TIEA	15 Sep 2009	1 Aug 2010	Yes	Yes	
Mongolia	DTC	3 Jul 2003	1 Oct 2004	No	No	
Morocco	DTC	27 Feb 2002	12 Nov 2006	No	No	
Nepal	DTC	15 Dec 2000	1 Jan 2002	No	No	
Netherlands	DTC	1 Sep 1970	21 Apr 1971	Yes	Yes	
New Zealand	DTC	21 Sep 2006	1 Dec 2007	No	No	
Norway	DTC	28 Nov 1995	1 Dec 1996	Yes	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date Entered into Force	Meets Standard	Contains Parameters 4 and 5	
Pakistan	DTC	4 Aug 2005	1 Jun 2007	No	No	
Philippines	DTC	9 Apr 1981	1 Apr 1982	No	No	
Poland	DTC	13 Jan 2004	1 Apr 2005	Yes	No	
Portugal	DTC	29 Dec 1970	27 Feb 1972	Yes	No	
Qatar	DTC	30 Dec 2010	7 Mar 2012	No	Yes	
Romania	DTC	30 Mar 2005	1 Feb 2006	Unreviewed	No	
Romania	DTC Protocol	1 Oct 2012	not yet in force	Unreviewed	Yes	
Russian Federation	DTC	13 Apr 2000	30 Dec 2002	No	No	
Saint Vincent and the Grenadines	TIEA	14 Sep 2009	1 Jan 2012	Yes	Yes	
San Marino	DTC	24 Nov 2004	1 Dec 2005	Yes	Yes	
Saudi Arabia	DTC	19 Mar 2006	1 Jun 2007	No	No	
Serbia	DTC	7 May 2010	17 Dec 2010	Unreviewed	Yes	
Singapore	DTC	30 Nov 2001	22 Oct 2002	Yes	Yes	
Slovakia	DTC	7 Mar 1978	12 Feb 1979	Yes	No	
Slovenia	DTC	1 Oct 1997	1 Feb 1999	Yes	No	
Slovenia	DTC Protocol	28 Nov 2011	not yet in force	Yes	Yes	
South Africa	DTC	4 Mar 1996	6 Feb 1997	Yes	Yes	
Spain	DTC	20 Dec 1966	1 Jan 1968	Yes	No	
Sweden	DTC	14 Oct 1959	29 Dec 1959	Yes	Yes	
Switzerland	DTC	30 Jan 1974	4 Dec 1974	Yes	Yes	
Syrian Arab Republic	DTC	3 Mar 2009	not yet in force	No	No	
Tajikistan	DTC	7 Jun 2011	1 Jul 2012	No	Yes	
Thailand	DTC	8 May 1985	1 Jul 1986	No	No	
Tunisia	DTC	23 Jun 1977	4 Sep 1978	No	No	
Turkey	DTC	28 Mar 2008	1 Oct 2009	No	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date Entered into Force	Meets Standard	Contains Paras 4 and 5	
Turkmenistan	DTC	10 Apr 1981	1 Oct 1982	No	No	
Ukraine	DTC	16 Oct 1997	20 May 1999	No	No	
United Arab Emirates	DTC	22 Sep 2003	1 Sep 2004	No	No	
United Kingdom	DTC	30 Apr 1969	13 Nov 1970	Yes	Yes	
United States	DTC	31 May 1996	1 Feb 1998	No	No	
Uzbekistan	DTC	14 Jun 2000	1 Aug 2001	No	No	
Venezuela	DTC	12 May 2006	17 Mar 2007	No	No	
Vietnam	DTC	2 Jun 2008	1 Jan 2010	No	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
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed
Compliance with FATF 40+9 recommendations	>69% Compliant or Fully Compliant	35-69% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern
INCSR - Weakness in Government Legislation	<2	2-4
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism
EU Whitelist equivalent jurisdictions	Yes	
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / OIC
Corruption Index (Transparency International) Control of Corruption (WGI) Global Advice Network	>69%	35-69%
World Government Indicators (Average)	>69%	35-69%
Failed States Index (Average)	>69%	35-69%
Offshore Finance Centre	No	

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 PKI International](#))

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