

# Dominica

---

RISK & COMPLIANCE REPORT

DATE: March 2018

<b>Executive Summary - Dominica</b>	
<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	US Dept of State Money Laundering Assessment Non - Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Offshore Finance Centre Compliance of OECD Global Forum's information exchange standard
<b>Medium Risk Areas:</b>	Weakness in Government Legislation to combat Money Laundering Failed States Index (Political Issues)(Average Score)
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b></p> <p>bananas, citrus, mangos, root crops, coconuts, cocoa</p> <p>note: forest and fishery potential not exploited</p> <p><b>Industries:</b></p> <p>soap, coconut oil, tourism, copra, furniture, cement blocks, shoes</p> <p><b>Exports - commodities:</b></p> <p>bananas, soap, bay oil, vegetables, grapefruit, oranges</p> <p><b>Exports - partners:</b></p> <p>Japan 38.2%, Antigua and Barbuda 8.4%, Jamaica 7.4%, Guyana 7.1%, Paraguay 6.1%, Trinidad and Tobago 4.6% (2012)</p> <p><b>Imports - commodities:</b></p> <p>manufactured goods, machinery and equipment, food, chemicals</p>	

**Imports - partners:**

Japan 37.5%, US 14.9%, Trinidad and Tobago 14.2%, China 4.9%, Colombia 4% (2012)

**Investment Restrictions:**

The Government of the Commonwealth of Dominica strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens.

## Contents

<b>Section 1 - Background</b> .....	<b>4</b>
<b>Section 2 - Anti – Money Laundering / Terrorist Financing</b> .....	<b>5</b>
FATF status.....	5
CFATF Statement re AML Strategic Deficiencies.....	5
Compliance with FATF Recommendations.....	5
Key Findings from latest Mutual Evaluation Progress Report (2013): .....	5
US Department of State Money Laundering assessment (INCSR) .....	6
Report .....	10
International Sanctions.....	11
Bribery & Corruption.....	12
Corruption and Government Transparency - Report by US State Department .....	12
<b>Section 3 - Economy</b> .....	<b>13</b>
Stock Exchange.....	13
<b>Section 4 - Investment Climate</b> .....	<b>14</b>
<b>Section 5 - Government</b> .....	<b>27</b>
<b>Section 6 - Tax</b> .....	<b>29</b>
<b>Methodology and Sources</b> .....	<b>31</b>

## Section 1 - Background

Dominica was the last of the Caribbean islands to be colonized by Europeans due chiefly to the fierce resistance of the native Caribs. France ceded possession to Great Britain in 1763, which made the island a colony in 1805. In 1980, two years after independence, Dominica's fortunes improved when a corrupt and tyrannical administration was replaced by that of Mary Eugenia CHARLES, the first female prime minister in the Caribbean, who remained in office for 15 years. Some 3,000 Carib Indians still living on Dominica are the only pre-Columbian population remaining in the eastern Caribbean.



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

### FATF status

#### CFATF Statement re AML Strategic Deficiencies

**Date: 3 June 2013**

In November 2011, the CFATF brought to the attention of its Members several jurisdictions, including Dominica, with significant strategic deficiencies in their AML/CFT regime. With a view to encouraging expeditious rectification of the identified strategic deficiencies, the CFATF in conjunction with Dominica, developed an Action Plan with identified target dates to address the strategic deficiencies that existed in the national architecture to combat money laundering and the financing of terrorism.

The CFATF recommends that the status quo for Dominica remains at this time. However, the CFATF noted progress presented by Dominica, in particular, the enactment of legislation and issuance of relevant guidelines addressing AML/CFT deficiencies. Therefore, the CFATF recommends that Dominica bring into force mechanisms to address its AML/CFT deficiencies by November 2013. If Dominica fails to take such action, the CFATF will be issuing a further Public Statement on Dominica in November, 2013.

### Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Dominica was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, Dominica was deemed Compliant for 2 and Largely Compliant for 5 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 5 of the 6 Core Recommendations.

### Key Findings from latest Mutual Evaluation Progress Report (2013):

On February 21, 2013, Dominica Gazetted the Money Laundering (Prevention) Regulations ML(P)R 2013. Additionally, on March 11, 2013, the Money Laundering (Prevention) (Amendment) Act 2013, ML(P)(A)2013 and Suppression of the Financing of Terrorism (Amendment) Act 2013 (SFT(A)2013) were passed by the Dominica Parliament. ML(P)R 2013 as Other Enforceable Means

The ML(P)R 2013 were made by the Minister of Legal Affairs in accordance to s.54 (1) of the Money Laundering Prevention Act, 8 of 2011 (MLPA). The ML(P)R 2013 are subject to negative resolution of Dominica's Parliament. Following gazetting on February 21, 2013 they were presented to Parliament on February 28, 2013. Consequently, pursuant to Section 30(2) &(3),

Chapter 3:01, of Dominica Revised Laws 1990, the ML(P)R 2013 is part of the laws of Dominica.

The mandatory language used in the ML(P)R 2013 clearly sets out customer due diligence provisions which a person carrying on a 'relevant business' is bound to comply with. The mandatory language is supported by Regulation 3 (2) where it is an offence for a person, whilst conducting a relevant business, forming a business relationship or carrying out any transaction with or for another person, to not have:

- a. Identification procedures in accordance with regulations 8, 9, 10 and 15;
- b. Record-keeping procedures in accordance with regulation 24 ;
- c. Internal reporting and internal controls procedures for preventing money laundering, in accordance with regulation 24 and 26 ;
- d. An audit function to test compliance with AML measures;
- e. Screening of employees when hiring; and
- f. Training of staff

8. The penalty for a breach of r.3 (2) has been set at a forty thousand dollar fine or imprisonment not exceeding two years. These criminal sanctions are predicated on s.54 (2) of the MLPA which empowers the Minister to make regulations prescribing penalties to be imposed, on summary conviction, for contravention of a regulation. The Minister is confined to sanctions of either a fifty thousand dollar fine or three-year imprisonment. The sanctions are not proportional in that there is a one-size-fit-all approach irrespective of the nature of the breach. Additionally, whilst there may be some measure of dissuasiveness on the part of individuals or the smaller persons, in terms of asset size, carrying on relevant business activities, the applicable fine may not be dissuasive for corporate or larger relevant businesses. Notwithstanding, all of the above the ML(P)R 2013 is part of the laws of Dominica and is therefore enforceable.

#### **US Department of State Money Laundering assessment (INCSR)**

**Dominica is categorised by the US State Department as a Country/Jurisdiction of Primary Concern in respect of Money Laundering and Financial Crimes.**

#### **OVERVIEW**

#### OVERVIEW

Dominica is an offshore center with a considerable IBC presence and internet gaming. Money laundering cases involve external proceeds from fraudulent investment schemes, advance fee fraud schemes, and the placement of euros related to questionable activities conducted in other surrounding jurisdictions. Domestic money laundering is chiefly linked to narcotics activities.

## VULNERABILITIES AND EXPECTED TYPOLOGIES

Dominica is located between the French territories of Guadeloupe and Martinique and, due to its geographical location, the country is used as a transshipment point for narcotics and other criminal activities. For the past few years, money laundering cases involved fraudulent investment schemes, advance fee fraud schemes, credit card fraud schemes, and the placement of euros from criminal activities into the financial system from the neighboring French territories of Marie Galante, Les Saintes, Guadeloupe, and Martinique.

Dominica hosts one internet gaming company, 12 offshore banks, and close to 19,000 IBCs. Bearer shares are permitted, but beneficiaries of the bearer shares must be disclosed to financial institutions as part of their KYC programs. The Eastern Caribbean Central Bank licenses and supervises domestic commercial banks. The Financial Services Unit (FSU) within Dominica's Ministry of Finance supervises and licenses offshore banks, credit unions, insurance companies, internet gaming companies, and the country's economic citizenship program.

Under Dominica's citizenship by investment program (CIP), individuals can obtain citizenship through a donation of U.S. \$100,000 to the Government Fund for an individual or U.S. \$200,000 for a family of four, or through an investment in real estate valued at a minimum of U.S. \$200,000. The real estate option incurs fees ranging from U.S. \$25,000 to U.S. \$70,000 depending on family size. An application for economic citizenship must be made through a government-approved local agent and requires a fee for due diligence or background check purposes. There is no mandatory interview process; however, the government may require interviews in particular cases. Applicants must make a source of funds declaration and provide evidence supporting the declaration. 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. U.S. law enforcement is increasingly concerned about the expansion of these programs due to the visa-free travel and ability to open bank accounts accorded these individuals.

The country's porous borders and mountainous terrain pose a challenge to law enforcement officials in effectively policing the various coastlines for drugs and smuggling of goods, such as firearms and cash.

## KEY AML LAWS AND REGULATIONS

Dominica has comprehensive AML laws and regulations. These include: the Money Laundering (Prevention) Act No. 8 of 2011, as amended; the Financial Services Unit Act, No. 18 of 2008; the Financial Intelligence Unit Act, No. 7 of 2011; the Proceeds of Crime Act, No. 4 of 1993, as amended; the Anti-Money Laundering and Counter-Financing of Terrorism Code of Practice, No. 10 of 2014; the Exchange of Information Act, No. 25 of 2001; the Mutual Assistance in Criminal Matters Act, Chap. 12:19; the Transnational Organized Crime (Prevention and Control) Act, No. 13 of 2013; and the Criminal Law and Procedure (Amendment) Act, No. 3 of 2014.



The Proceeds of Crime Act of 2014, which is cited as the AML/CFT Code of Practice, highlights duties of the FIU and the FSU in ensuring that financial institutions and persons carrying on a relevant business put appropriate AML systems and controls in place. There are offenses and penalties for non-compliance.

Entities that must comply with KYC rules are banks, venture risk capital managers, money transmission services, money and securities brokers, traders in foreign exchange, money lenders and pawn shops, money exchanges, mutual funds, credit unions, building societies, trust businesses, insurance businesses, securities exchange, real estate businesses, car dealers, casinos, courier services, jewelry businesses, internet gaming and wagering entities, management companies, asset management and advice services, custodial and nominee service providers, registered agents, telecommunications companies, and utility companies. The AML/CFT Code of Practice covers legal persons and also provides for enhanced due diligence for PEPs.

Dominica is a member of the CFATF, a FATF-style regional body.

#### AML DEFICIENCIES

Dominica has achieved technical compliance with international AML standards. It is not clear whether Dominica has the ability to maintain statistics on matters relevant to the effectiveness and efficiency of its AML regime. In addition, it has not commenced the process of monitoring agents licensed to incorporate IBCs.

#### ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

The Proceeds of Crime Statutory Rules and Orders of 2014 ensures every entity puts proper controls in place to detect and prevent money laundering. It also provides guidance to every financial services entity and professional to appropriately apply the requirements of the Money Laundering Prevention Act of 2011. The law also promotes the use of an appropriate and proportionate risk-based approach to the detection and prevention of money laundering.

Dominica seized over U.S. \$790,000 in 2016 and obtained the final forfeiture order in March 2017. The assets were placed in the Confiscated Assets Fund.

#### **Current Weaknesses in Government Legislation (2014 INCRS Comparative Tables):**

According to the US State Department, Dominica 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.

**Arrangements for Asset Sharing** - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

### **EU White list of Equivalent Jurisdictions**

Dominica 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**

Dominica is considered to be an Offshore Financial Centre

### **US State Dept Narcotics Report 2017 (introduction):**

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.

### **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:**

No report available

### **US State Dept Terrorism Report**

No report available

## International Sanctions

None Applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	57
World Governance Indicator – Control of Corruption	70

## Corruption and Government Transparency - Report by US State Department

There have been widely publicized allegations against some government officials. None of those allegations have been substantiated in the courts.

Dominica has laws, regulations and penalties to combat corruption, and the government generally enforces national laws. Government agencies involved in enforcement of anti-corruption laws include the Commonwealth of Dominica Police Force, the Director of Public Prosecutions, the Financial Intelligence Unit, and the Integrity in Public Office Commission.

The country is also party to the Inter-American Convention against Corruption and Dominica acceded to the United Nations Convention against Corruption on 28 May 2010.

### Section 3 - Economy

The Dominican economy has been dependent on agriculture - primarily bananas - in years past, but increasingly has been driven by tourism as the government seeks to promote Dominica as an "ecotourism" destination. Moreover, Dominica has an offshore medical education sector. In order to diversify the island's economy, the government is also attempting to foster an offshore financial industry and plans to sign agreements with the private sector to develop geothermal energy resources. In 2003, the government began a comprehensive restructuring of the economy - including the elimination of price controls, privatization of the state banana company, and tax increases - to address an economic and financial crisis and to meet IMF requirements. In 2009 and 2013, the economy contracted as a result of the global recession; growth remains anaemic. Although public debt levels continue to exceed pre-recession levels, the debt burden declined from 78% of GDP in 2011 to approximately 70% in 2012.

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

bananas, citrus, mangos, root crops, coconuts, cocoa

note: forest and fishery potential not exploited

#### **Industries:**

soap, coconut oil, tourism, copra, furniture, cement blocks, shoes

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

bananas, soap, bay oil, vegetables, grapefruit, oranges

#### **Exports - partners:**

Japan 38.1%, Jamaica 19%, Antigua and Barbuda 10.4%, Trinidad and Tobago 6.2%, St. Lucia 4.8%, St. Kitts and Nevis 4.2% (2015)

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

manufactured goods, machinery and equipment, food, chemicals

#### **Imports - partners:**

Japan 42%, Trinidad and Tobago 17%, US 11.9%, China 6% (2015)

### 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

The Commonwealth of Dominica (Dominica) remains an emerging market in the Eastern Caribbean with an estimated Gross Domestic Product (GDP) of USD \$442.7 million in 2015. Dominica is slowly rebuilding after Tropical Storm Erika struck the island in August 2015, causing an estimated USD \$483 million in damages. The Government is focused on reconstruction efforts, which would incorporate a revised macro-economic framework that will include strengthening the fiscal policy framework. To this end, the Government of Dominica signaled its commitment to foster sustainable economic growth and reprioritize current spending and capital expenditures. Investment opportunities largely remain in the services sector, particularly eco-tourism, information and communication technologies and education. Other opportunities exist in alternative energy namely geothermal and capital works. Dominica 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), Dominica's economy is projected to grow by 4.19% in 2016. Dominica is currently ranked 91st in the World Bank's Doing Business Report for 2016; falling two places from its 2015 ranking.

- The Government of Dominica strongly encourages foreign direct investment, particularly in the sectors of hotel accommodation, including eco-lodges and flagship boutique hotels; nature and adventure tourism services; fine dining restaurants; information and technology services; film, music and video production; agro-processing; manufacturing; bulk water export and bottled water operations; medical and nursing schools; health and wellness tourism; geothermal and biomass industries; biodiversity; aquaculture; and English language training services.

The government instituted a number of investment incentives for businesses considering the possibility of locating in Dominica, encouraging both domestic and foreign private investment. Government policies provide liberal tax holidays, duty-free import of equipment and materials, exemption from value added tax on some capital investments, and withholding tax exemptions on dividends, interest payments and some external payments and income.

- Dominica employs a system of eminent domain to pay compensation when property needs to be acquired in the public interest. There were no reported tendencies of the government to discriminate against U.S. investments, companies or landholdings. There are no laws mandating local ownership in specified sectors.
- Foreign investors in Dominica can repatriate all profits, dividends and import capital. There are no restrictions on the repatriation of dividends for fully foreign-owned firms; however a mixed foreign-domestic company may repatriate profits to the extent of its foreign participation. Dominica bases its legal system on the British common law system.
- Foreign investment in Dominica is not subject to any restrictions, and foreign investors are entitled to receive the same treatment as nationals of Dominica. Dominica 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.

- Dominica is a member of the Caribbean Basin Initiative, which permits duty free entry of many products manufactured or assembled in Dominica into markets of the United States. Dominica has no bilateral investment treaty with the United States but has bilateral investment treaties with the United Kingdom and with Germany.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	Not ranked	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
World Bank's Doing Business Report "Ease of Doing Business"	2015	91 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	Not ranked	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>
U.S. FDI in partner country (\$M USD, stock positions)	2015	Not available	BEA/Host government
World Bank GNI per capita	2014	USD \$6,930	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

## 1. Openness To, and Restrictions Upon, Foreign Investment

### Attitude toward Foreign Direct Investment

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

Through the Invest Dominica Authority (IDA), the government instituted a number of investment incentives for businesses considering the possibility of locating in Dominica, encouraging both domestic and foreign private investment. Government policies provide liberal tax holidays, duty-free import of equipment and materials, exemption from value added tax on some capital investments, and withholding tax exemptions on dividends, interest payments and some external payments and income. Fiscal incentives are provided under various laws to encourage the establishment and expansion of both foreign and domestic investment.

All proposals for investment concessions and incentives are reviewed by the IDA to ensure that the project is consistent with the national interest and provides economic benefits to the country. The IDA provides 'one-stop shop facilitation" services to investors to guide them



through the various stages of the investment process. Dominica encourages investment in the following sectors: hotel accommodation including eco-lodges and flagship boutique hotels; nature and adventure tourism services; fine dining restaurants; information and technology services; film, music and video production; agro-processing; manufacturing; bulk water export and bottled water operations; medical and nursing schools; health and wellness tourism; geothermal and biomass industries; biodiversity; aquaculture; and English language training services. Additional sectors may also be considered.

Deregulation in the telecommunications industry facilitated market access for new competitors, although historically the industry was monopolized. There are currently three service providers: Flow (formerly Cable and Wireless), Digicel, and Marpin Telecommunications.

#### Other Investment Policy Reviews

In 2014, the OECS, of which the Commonwealth of Dominica is a member, conducted an investment policy review through the World Trade Organization. This report, which speaks to the general investment climate in the Commonwealth of Dominica, can be found: [https://www.wto.org/english/tratop\\_e/tpr\\_e/tp399\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tp399_e.htm).

#### Laws/Regulations on Foreign Direct Investment

All potential investors applying for government incentives must submit proposals for review by IDA to ensure that the project is consistent with the national interests and provides economic benefits to the country. There are no limits on foreign ownership or control. The IDA's foreign direct investment policy is to actively pursue foreign direct investment into priority sectors, and advise the government on the formation and implementation of policies and programs to attract sustainable investment within the Commonwealth of Dominica. The main laws concerning investment in Dominica are the Invest Dominica Authority Act (2007), the Tourism Act (2005), and the Fiscal Incentives Act.

There is no general limit on the amount of foreign ownership or control in the establishment of a business. If fiscal incentives are being sought, depending upon the sector, an application is filed with the IDA, where a screening committee reviews the application and makes a decision on the incentive application. The decision-making process is relatively fast, with the investor receiving a notice within two to four weeks. Where the investment is less than Eastern Caribbean Dollar (XCD) \$2 million, the decision is made by a subcommittee of the cabinet called the Approval Committee. If the investment is more than XCD \$2 million, the matter is submitted to the cabinet for consideration and approval. It normally takes one month for the cabinet to make a decision. Invest Dominica Authority recommended to increase this threshold.

#### *Business Registration*

The Invest Dominica Authority is the main business facilitation unit. The IDA has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors: [www.investdominica.com](http://www.investdominica.com). The Companies and Intellectual Property Office (CIPO) maintains an e-filing portal for most of their services including company registration on their website. However, this only allows for applications to be reviewed prior to the investor physically making a payment at the Supreme Court office. It is advisable that investors seek

the advice of a local attorney prior to starting the process. Further information can be obtained from: <http://www.cipo.gov.dm/>. According to the 2016 World Bank Doing Business Report, business registration generally takes 12 days with five procedures. An attorney must be included in this process.

A small business is generally described as a company that employs less than 25 persons. The Ministry with responsibility for small business development announced that a draft Micro, Small and Medium Enterprise Policy should be submitted shortly as well as a small business research mapping and database plan to assist the Ministry in providing an enhanced technical support system.

#### Industrial Promotion

Invest Dominica Authority is the investment promotion arm of the government with identified key industries to attract investment into the country.

#### Limits on Foreign Control and Right to Private Ownership and Establishment

There are no limits on foreign control in Dominica. Foreign investment in Dominica is not subject to any restrictions, and foreign investors are entitled to receive the same treatment as nationals of Dominica. Foreign investors are entitled to hold up to 100% of their investment. The only restriction is the requirement to obtain an Alien Landholders License for foreign investors seeking to purchase property for residential or commercial purposes. Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital.

#### Privatization Program

Dominica currently does not have a targeted program of privatization.

#### Screening of FDI

Through the Government of Dominica, the IDA has the authority to screen and review foreign direct investments. 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.

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

- Apply for a Work Permit (if applicable)
- Register/Incorporate the business through the Companies and Intellectual Property Office
- Register with the Inland Revenue Division and apply for a Value Added Tax (VAT) registration number
- Register with Dominica Social Security
- Obtain Alien Land Holding License (if applicable)
- Obtain Physical Planning Division permission for construction of building (if applicable)
- Seek permission from other Government Agencies (if applicable)

- Obtain a license from the Fisheries Division (if applicable)

Under Dominica's Economic Citizenship Program, foreign individuals may obtain citizenship in accordance with section VII of the Constitution and the 1993 Amendment to the Citizenship Act, which grants the right of citizenship (without voting rights), by investment. Applicants can contribute a minimum of USD \$100,000 to the Economic Diversification Fund for a single person or an investment in designated real estate with a value of at least USD \$200,000. Applicants must also provide a full medical certificate, undergo a background check and provide evidence of the source of funds before proceeding to the final stage of an interview. The government introduced a Citizen by Investment Certificate in order to minimize the risk of unlawful duplication. Further information can be obtained from the Citizenship by Investment Unit of the Commonwealth of Dominica website at: <http://cbiu.gov.dm>.

### 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 is 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 the Commonwealth of Dominica. 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. Regulation of competition in the telecommunications field is provided for under the Telecommunications Act (2000).

## **2. Conversion and Transfer Policies**

### Foreign Exchange

Dominica is a member of the Eastern Caribbean Currency Union and the Eastern Caribbean Central Bank. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the OECS, the Commonwealth of Dominica has a foreign exchange system that is fully liberalized. The XCD is pegged to the United States dollar at a rate of XCD \$2.70: USD \$1.00. As a result, the Eastern Caribbean Dollar does not fluctuate, creating a stable currency environment for trade and investment in the Commonwealth of Dominica.

### *Remittance Policies*

Companies registered in Dominica have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. There are no restrictions on the repatriation of dividends for totally foreign-owned firms; however a mixed foreign-domestic company may repatriate profits to the extent of its foreign participation.

As a member of the OECS, there are no exchange controls in Dominica and the invoicing of foreign trade transactions may be made in any currency. Importers are not required to make prior deposits in local funds and export proceeds do not have to be surrendered to government authorities or to authorized banks. There are no controls on transfers of funds. The Commonwealth of Dominica is a member of the Caribbean Financial Action Task Force (CFATF). Dominica 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**

There are no known pending expropriation cases involving American citizens. In such an event, Dominica would employ a system of eminent domain to pay compensation when property needs to be acquired in the public interest. There were no reported tendencies of the government to discriminate against U.S. investments, companies or landholdings in the reporting period. There are no laws mandating local ownership in specified sectors.

### **4. Dispute Settlement**

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

Dominica bases its legal system on the British common law system. The magistrates and the High Court administer justice in Dominica. An appeal may be taken to the Organization of Eastern Caribbean States Court of Appeal. In 2015, the Commonwealth of Dominica became the fourth full member of the Caribbean Court of Justice; thus making the Caribbean Court of Justice its court of final appeal and original jurisdiction.

The United States and Dominica 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.

Bankruptcy

The Commonwealth of Dominica has a bankruptcy framework that allows for certain actions by both the debtor and the creditor. The Commonwealth of Dominica is ranked 129th in the 2016 World Bank's Doing Business Report. The Report addressed some limitations in resolving insolvency particularly the strength of the insolvency framework.

Investment Disputes

The U.S. Embassy in Bridgetown is not aware of any current investment disputes in Dominica.

International Arbitration

The Eastern Caribbean Supreme Court is the domestic arbitration body within the Commonwealth of Dominica and the local courts recognize and enforce foreign arbitral awards. The Arbitration Act (1988) provides general and specific provisions on arbitration rules and procedures in the Commonwealth of Dominica.

*ICSID Convention and New York Convention*

The Commonwealth of Dominica is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States of October 14th 1966;

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 2016 World Bank’s Doing Business Report, dispute resolution generally took 681 days, however this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. Dominica is ranked at number 83 in enforcing contracts.

### 5. Performance Requirements and Investment Incentives

#### WTO/TRIMS

While there are no formal performance requirements, government officials strongly encourage investments they believe will create jobs and increase exports and foreign exchange earnings.

#### Investment Incentives

In an effort to increase investment in the country, the Government of Dominica implemented a series of investment incentives, which have been codified in the Fiscal Incentives Act. These include tax holidays for up to 20 years for approved hotel and resort development projects, duty free concessions on the purchase of machinery and equipment and various tax exemptions. While there is no requirement that enterprises must purchase a fixed percentage of goods from local sources, government encourages local sourcing. There are no requirements for participation either by nationals or by the government in foreign investment projects.

Under the Fiscal Incentives Act, four types of enterprise qualify for tax holidays. The length of the tax holiday for the first three depends on the amount of value added in Dominica. The fourth type, known as enclave industry, must produce goods exclusively for export outside the CARICOM region.

Enterprise	Value Added	Maximum Tax Holiday
Group I	50% or more	15 years
Group II	25% to 50%	12 years
Group III	10% to 25%	10 years
Enclave	Enclave	15 years

Companies that qualify for tax holidays are allowed to import into Dominica duty-free all equipment, machinery, spare parts and raw materials used in production.

The Hotel Aids Act provides relief from customs duties on items brought into the country for use in construction, extension and equipping of a hotel of not less than five bedrooms. In addition, the Income Tax Act provides special tax relief benefits for hotels. These provide for granting of a tax holiday for up to 20 years for approved hotel and resort developments.

The standard corporate income tax rate is 28%. There is no capital gains tax. International Business Companies are exempt from tax. Corporate tax does not apply to exempt companies or to enterprises that have been granted tax concession.

Dominica provides companies with a further tax concession effective at the end of the tax holiday period. In effect, it is a rebate of a portion of the income tax paid based on export profits as a percentage of total profits. Full exemption from import duties on parts, raw materials, and production machinery is also available.

#### *Research and Development*

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

#### Performance Requirements

The Government of the Commonwealth of Dominica 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 the Commonwealth of Dominica (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 IT 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

Civil law protects physical property and mortgage claims. There are some special license requirements as to acquisition of land, development of buildings and expansion of existing construction, and special standards for various aspects of the tourism industry. Individuals or corporate bodies who are not citizens and who are seeking to acquire land require an Alien Landholders License prior to the execution of the transactions, depending upon the amount of land in question. A foreign national may hold less than one acre of land for residential purposes or less than three acres for commercial purposes without obtaining an alien landholding license; if more land is required then a license must be obtained, and the applicant must pay a fee equivalent to 10% of the market value of the land or of the interest in the real estate to be purchased. Applicants must meet all the submission requirements before the grant of license could be considered by the Cabinet. Dominica is currently ranked 149th in the World Bank's Doing Business Report for the ease of registering property.

#### Intellectual Property Rights

Dominica has a 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 has been viewed as generally weak. The administration of intellectual property laws in Dominica is under the responsibility of the Attorney General. The registration of patents, trademarks, and service marks is administered by the Companies and Intellectual Property Office.

Dominica is signatory to the Paris Convention for the Protection of Industrial Property (1883), the Patent Cooperation Treaty (PCT) (1970); the Berne Convention for the Protection of Literary and Artistic Works (1886). The Commonwealth of Dominica is also a member of the United Nations World Intellectual Property Organization (WIPO).

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), which 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 Dominica 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 Commonwealth of Dominica spearheads the enforcement and preventive aspects which includes the detention, seizure and forfeiture of goods. The Customs and Excise Department also conducts investigations of customs offences, administers fines and penalties.

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*

U.S. Embassy 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](mailto:SimpsonSC@state.gov)

#### Country/Economy Resources

American Chamber of Commerce for Barbados and the Eastern Caribbean

Name: Dustin Delany

Title: Chairman

Telephone: (246) 228-2260

Email: [dd@amchambec.com](mailto:dd@amchambec.com)

Local attorneys list: [http://barbados.usembassy.gov/dominica\\_attorneys.html](http://barbados.usembassy.gov/dominica_attorneys.html)

## **7. Transparency of the Regulatory System**

Dominica provides a legal framework to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety. The Ministry of Finance and the Invest Dominica Authority provide oversight on the transparency of the system as it relates to investment. Dominica's international financial services sector is governed through the International Business Corporations (IBC) Act (1996). The Financial Services Unit, which has oversight over the sector, was formally established through the Financial Services Unit Act (2008). An amendment in 2011 gave the Unit more powers particularly in the area of monitoring and regulating the compliance of commercial banks with money laundering prevention and counter-terrorism measures. Dominica's Financial Services industry is generally regarded as transparent.

The Dominica Bureau of Standards is a statutory body established under the Standards Act of 1999. It develops, establishes, maintains and promotes standards for improving industrial development, industrial efficiency, promoting the health and safety of consumers as well as protecting the environment, food and food products, the quality of life for the citizenry and the facilitation of trade. It also conducts national training and consultations in international standards practices.

An external company that wishes to carry on business in Dominica must first be registered in Dominica. Registration is completed at the Companies and Intellectual Property Office. Companies using or manufacturing chemicals must obtain a license of their environmental and health practices from the Dominica Bureau of Standards and the Environmental Health Unit.

## **8. Efficient Capital Markets and Portfolio Investment**

Dominica 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 USD \$4.3 billion. Dominica 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 Dominica. According to the most recent data available from the government, assets of commercial banks totaled USD \$756.4 million 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 Dominica are governed by their respective Legislation. They are headed by Boards of Directors to which the Senior Management reports. The state-owned enterprises in Dominica include the Dominica Broadcasting Corporation and Dominica Solid Waste Management Corporation. Those that exist do not generally pose a threat to investors, as they directly support the government in achieving its objectives.



## OECD Guidelines on Corporate Governance of SOEs

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

## Sovereign Wealth Funds

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

## **10. Responsible Business Conduct**

In Dominica, 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**

Dominica does not have a history of political violence.

## **12. Corruption**

There have been widely publicized allegations against some government officials. None of those allegations have been substantiated in the courts.

Dominica has laws, regulations and penalties to combat corruption, and the government generally enforces national laws. Government agencies involved in enforcement of anti-corruption laws include the Commonwealth of Dominica Police Force, the Director of Public Prosecutions, the Financial Intelligence Unit, and the Integrity Commission.

The Integrity in Public Office Act requires public officials to disclose all income, assets, and personal gifts while in public office. The law established an Integrity Commission, appointed by the President, to receive and investigate complaints regarding noncompliance with or contravention of any provisions of this law.

Although Dominica does not have legislation that guarantees access to information or freedom of expression, the freedom to information is generally free in practice.

In June 2015, twelve Commonwealth Caribbean countries including Dominica 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 was 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*

The country is party to the Inter-American Convention against Corruption and Dominica acceded to the United Nations Convention against Corruption on 28 May 2010.

*Resources to Report Corruption*

-ORGANIZATION: Integrity Commission

-ADDRESS: Cross Street, Roseau, Dominica

-TELEPHONE NUMBER: 1-767-266-3436

-EMAIL ADDRESS: [integritycommission@dominica.gov.dm](mailto:integritycommission@dominica.gov.dm)

### **13. Bilateral Investment Agreements**

Bilateral Taxation Treaties

Dominica has no bilateral investment treaty with the United States. Dominica has bilateral investment treaties with the United Kingdom and with Germany. Dominica 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 fifteen (15) Member States. Investors operating in Dominica 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.

Organization of Eastern Caribbean States

The Revised Treaty of Basseterre establishes the Organization of Eastern Caribbean States. 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 seven 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 their 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 objective of the Caribbean Basin Initiative is to promote 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. It permits duty free entry of products manufactured or assembled in Dominica into markets of the USA.

#### 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 which originate in Commonwealth Caribbean countries.

### 14. Foreign Trade Zones/Free Ports/Trade Facilitation

There are no foreign trade zones or free ports in Dominica.

### 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	\$442.7	2014	\$552.1	<a href="http://data.worldbank.org/country/dominica">http://data.worldbank.org/country/dominica</a>
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)	2015	Not available	2015	Not available	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>

Host country's FDI in the United States (\$M USD, stock positions)	2015	Not available	2015	Not available	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
Total inbound stock of FDI as % host GDP	2015	Not available	2015	Not available	Not available

\*Eastern Caribbean Central Bank Statistics: <http://www.eccb-centralbank.org/Statistics/index.asp>

*Table 3: Sources and Destination of FDI*

The Commonwealth of Dominica does not appear in the IMF's Coordinated Direct Investment.

*Table 4: Sources of Portfolio Investment*

The Commonwealth of Dominica 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, CD, CDB, CELAC, Commonwealth of Nations, ECCU, FAO, G-77, IAEA, IBRD, ICRM, IDA, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, ISO (subscriber), ITU, ITUC (NGOs), MIGA, NAM, OAS, OECS, OIF, OPANAL, OPCW, Petrocaribe, UN, UNCTAD, UNESCO, UNIDO, UPU, WCL, WFTU, WHO, WIPO, WMO, WTO

## Section 6 - Tax



### Exchange control

For further information - <http://dominica.gov.dm/>

### Treaty and non-treaty withholding tax rates

Dominica has signed **31 agreements** (11 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	
Antigua and Barbuda	DTC	6 Jul 1994	30 Nov 1994	No	No	
Australia	TIEA	31 Mar 2010	8 Dec 2011	No	Yes	
Barbados	DTC	6 Jul 1994	30 Nov 1994	No	No	
Belgium	TIEA	26 Feb 2010	not yet in force	No	Yes	
Belize	DTC	6 Jul 1994	30 Nov 1994	No	No	
Canada	TIEA	29 Jun 2010	10 Jan 2012	No	Yes	
Denmark	TIEA	19 May 2010	1 Feb 2012	No	Yes	
Faroe Islands	TIEA	19 May 2010	not yet in force	No	Yes	
Finland	TIEA	19 May 2010	not yet in force	No	Yes	
France	TIEA	24 Dec 2010	14 Dec 2011	No	Yes	
Germany	TIEA	21 Sep 2010	not yet in force	No	Yes	
Greenland	TIEA	19 May 2010	not yet in force	No	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	7 Nov 2011	No	Yes	
Ireland	TIEA	8 Jul 2013	not yet in force	Unreviewed	Yes	
Jamaica	DTC	6 Jul 1994	30 Nov 1994	No	No	
Netherlands	TIEA	11 May 2010	1 Mar 2012	No	Yes	
New Zealand	TIEA	16 Mar 2010	not yet in force	No	Yes	
Norway	TIEA	19 May 2010	22 Jan 2012	No	Yes	
Poland	TIEA	10 Jul 2012	not yet in force	No	Yes	
Portugal	TIEA	5 Oct 2010	not yet in force	No	Yes	
Saint Kitts and Nevis	DTC	6 Jul 1994	30 Nov 1994	No	No	
Saint Lucia	DTC	6 Jul 1994	30 Nov 1994	No	No	
Saint Vincent and the Grenadines	DTC	6 Jul 1994	30 Nov 1994	No	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
South Africa	TIEA	7 Feb 2012	not yet in force	No	Yes	
Sweden	TIEA	19 May 2010	not yet in force	No	Yes	
Switzerland	DTC	20 Aug 1963	1 Jan 1961	No	No	
Trinidad and Tobago	DTC	6 Jul 1994	30 Nov 1994	No	No	
United Kingdom	TIEA	31 Mar 2010	13 Dec 2011	No	Yes	
United States	TIEA	1 Oct 1987	9 May 1988	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	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes



### **Section 3 - Economy**

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

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

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

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

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

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

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

### **Section 6 - Tax**

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

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

## **DISCLAIMER**

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

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

## **RESTRICTION OF LIABILITY**

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

## **RESTRICTIONS ON USE**

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

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

Any questions or queries should be addressed to: -

Gary Youinou

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