Liechtenstein

RISK & COMPLIANCE REPORT

DATE: March 2018

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<table>
<tr><th colspan="2">Executive Summary - Liechtenstein</th></tr>
<tr><td>Sanctions:</td><td>None</td></tr>
<tr><td>FAFT list of AML Deficient Countries</td><td>No</td></tr>
<tr><td>Higher Risk Areas:</td><td>Offshore Finance Centre</td></tr>
<tr><td>Medium Risk Areas:</td><td>US Dept of State Money Laundering assessment
Compliance with FATF 40 + 9 Recommendations</td></tr>
<tr><td colspan="2">Major Investment Areas:

Agriculture - products:
wheat, barley, corn, potatoes; livestock, dairy products

Industries:
electronics, metal manufacturing, dental products, ceramics, pharmaceuticals, food products, precision instruments, tourism, optical instruments

Exports - commodities:
small specialty machinery, connectors for audio and video, parts for motor vehicles, dental products, hardware, prepared foodstuffs, electronic equipment, optical products

Imports - commodities:
agricultural products, raw materials, energy products, machinery, metal goods, textiles, foodstuffs, motor vehicles</td></tr>
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Information unavailable</td></tr>
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Section 1 - Background

The Principality of Liechtenstein was established within the Holy Roman Empire in 1719. Occupied by both French and Russian troops during the Napoleonic Wars, it became a sovereign state in 1806 and joined the Germanic Confederation in 1815. Liechtenstein became fully independent in 1866 when the Confederation dissolved. Until the end of World War I, it was closely tied to Austria, but the economic devastation caused by that conflict forced Liechtenstein to enter into a customs and monetary union with Switzerland. Since World War II (in which Liechtenstein remained neutral), the country's low taxes have spurred outstanding economic growth. In 2000, shortcomings in banking regulatory oversight resulted in concerns about the use of financial institutions for money laundering. However, Liechtenstein implemented anti-money laundering legislation and a Mutual Legal Assistance Treaty with the US that went into effect in 2003.

Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

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

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Liechtenstein was undertaken by the Financial Action Task Force (FATF) in 2007. According to that Evaluation, Liechtenstein was deemed Compliant for 7 and Largely Compliant for 14 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 5 of the 6 Core Recommendations.

July 2014 - MONEYVAL report on the 4th round assessment visit in Liechtenstein

The mutual evaluation report on the 4th assessment visit in Liechtenstein is now available.

Links to:

- Press release
- Executive Summary
- Report
- Addendum
- EU Directive

The report was adopted at MONEYVAL's 44th Plenary Meeting (Strasbourg, 31 March – 4 April 2014). The MONEYVAL 4th cycle of assessments is a follow-up round, in which important FATF Recommendations have been re-assessed, as well as all those for which the state concerned received "Non-Compliant" (NC) or "Partially Compliant" (PC) ratings in its 3rd round report. This report on Liechtenstein is not, therefore, a full assessment against the FATF 40 Recommendations and 9 Special Recommendations but is an update on major issues in the AML/CFT system in Liechtenstein. According to MONEYVAL's procedures and the decision of the 44th Plenary, Liechtenstein was placed under the regular follow-up procedure.

US Department of State Money Laundering assessment (INCSR)

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

Liechtenstein 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:

The Principality of Liechtenstein is the richest country on earth on a GDP per capita basis. It has a well-developed offshore financial services sector, relatively low tax rates, liberal incorporation and corporate governance rules, and a tradition of bank secrecy. All of these conditions contribute significantly to the ability of financial intermediaries in Liechtenstein to attract funds from abroad. Liechtenstein's financial services sector includes 16 banks, 117 fund/asset management companies, 381 trust companies/trustees and 44 insurance companies. The three largest banks in Liechtenstein manage 85 percent of the country's $125 billion in wealth.

The business model of Liechtenstein's financial sector focuses on private banking, wealth management, and mostly nonresident business. It includes the provision of corporate structures such as foundations, companies, and trusts that are designed for wealth management, the structuring of assets, and asset protection. In recent years Liechtenstein banking secrecy has been softened to allow for greater cooperation with other countries to identify tax evasion. There are no reported abuses of non-profit organizations, alternative remittance systems, offshore sectors, free trade zones, or bearer shares.

Do financial institutions engage in currency transactions related to international narcotics 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: All serious crimes

Are legal persons covered: criminally: YES ***civilly:*** YES

Know-your-customer (KYC) rules:

Enhanced due diligence procedures for PEPs: Foreign: YES ***Domestic:*** YES

KYC covered entities: Banks; securities brokers; insurance companies and brokers; money exchangers or remitters; financial management firms, investment companies, and real estate companies; dealers in high-value goods; lawyers; casinos; the Liechtenstein Post Ltd.; and financial intermediaries

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 365 in 2014

Number of CTRs received and time frame: Not applicable

STR covered entities: Banks; securities brokers; insurance companies and brokers; money exchangers or remitters; financial management firms, investment companies, and real estate companies; dealers in high-value goods; lawyers; casinos; the Liechtenstein Post Ltd.; and financial intermediaries

money laundering criminal Prosecutions/convictions:

Prosecutions: 9 in 2014

Convictions: 2 in 2014

Records exchange mechanism:

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

With other governments/jurisdictions: YES

Liechtenstein is a member of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), a FATF-style regional body.

Enforcement and implementation issues and comments:

The 2014 reporting year saw an increase of suspicious transaction reports (STRs) of 11 percent when compared to 2013. Only 10 percent of the filed STRs enumerated money laundering as the reason for filing. In 2014, 56 percent of Liechtenstein's STRs were forwarded to the Office of the Public Prosecutor. A total of $27 million of assets were frozen in 2014.

In practice, many of the customer characteristics often considered high-risk in other locales, including non-residence and trust or asset management accounts, are considered routine in Liechtenstein and are subject to normal customer due diligence procedures. Additionally, Liechtenstein does not explicitly designate trusts and foundations, entities with bearer shares, or entities registered in privately-held databases in the high-risk category. Liechtenstein should consider reviewing whether this decision makes its financial system more vulnerable to illegal activities. Attempted transactions possibly related to funds connected to terrorism financing or terrorism are subject to suspicious transaction reporting.

Despite Liechtenstein's efforts to bring money laundering offenses fully in line with relevant standards, there are some questions surrounding the efficacy of its implementation as there have been only three domestic money laundering convictions since 2007.

EU White list of Equivalent Jurisdictions

Liechtenstein is 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

Liechtenstein is considered to be an Offshore Financial Centre

International Sanctions

None Applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	97

Section 3 - Economy

Despite its small size and lack of natural resources, Liechtenstein has developed into a prosperous, highly industrialized, free-enterprise economy with a vital financial service sector and the third highest per capita income in the world, after Qatar and Luxembourg. The Liechtenstein economy is widely diversified with a large number of small businesses. Low business taxes - the maximum tax rate is 20% - and easy incorporation rules have induced many holding companies to establish nominal offices in Liechtenstein, providing 30% of state revenues.

The country participates in a customs union with Switzerland and uses the Swiss franc as its national currency. It imports more than 90% of its energy requirements. Liechtenstein has been a member of the European Economic Area (an organization serving as a bridge between the European Free Trade Association and the EU) since May 1995. The government is working to harmonize its economic policies with those of an integrated Europe.

Since 2008, Liechtenstein has faced renewed international pressure - particularly from Germany and the US - to improve transparency in its banking and tax systems. In December 2008, Liechtenstein signed a Tax Information Exchange Agreement with the US. Upon Liechtenstein's conclusion of 12 bilateral information-sharing agreements, the OECD in October 2009 removed the principality from its "grey list" of countries that had yet to implement the organization's Model Tax Convention. By the end of 2010, Liechtenstein had signed 25 Tax Information Exchange Agreements or Double Tax Agreements. In 2011, Liechtenstein joined the Schengen area, which allows passport-free travel across 26 European countries.

Agriculture - products:

wheat, barley, corn, potatoes; livestock, dairy products

Industries:

electronics, metal manufacturing, dental products, ceramics, pharmaceuticals, food products, precision instruments, tourism, optical instruments

Exports - commodities:

small specialty machinery, connectors for audio and video, parts for motor vehicles, dental products, hardware, prepared foodstuffs, electronic equipment, optical products

Imports - commodities:

agricultural products, raw materials, energy products, machinery, metal goods, textiles, foodstuffs, motor vehicles

Banking

Liberal tax laws for domiciled and holding companies, originally passed in the 1920s, gave rise to an important fiduciary activity in Liechtenstein that has succeeded in attracting large flows of foreign funds. Administered assets, which were initially largely invested with foreign banks, are now mainly managed by domestic financial institutions, which offer private banking and asset management services to non-resident investors and operate with a high level of banking secrecy. As noted, the financial sector generates 30 percent of Liechtenstein's GDP. It employs more than 14 percent of the workforce, with business equally shared between financial and fiduciary institutions. An important marketing advantage for the financial services business arises from Liechtenstein's integration into two economic zones: the Swiss financial system, through a custom union and a currency agreement, and the European Economic Area that allows free movement of goods, persons, services, and capital among its member countries. Popular business models involve Swiss banks and insurance companies selling financial products from Liechtenstein to existing clients across the EU, while EU financial institutions and financial intermediaries make use of the provision for cross-border services to provide, for example, Liechtenstein private banking and trust and company services and products to their client base.

Section 4 - Investment Climate

Summary

The Swiss Federal Government has a laissez-faire attitude towards foreign investment, allowing Switzerland's 26 cantons (i.e. states) to largely shape the country's investment policies. This federal approach to governance has helped the Swiss maintain long-term economic and political stability, a transparent legal system, an extensive and reliable infrastructure, efficient capital markets and an excellent quality of life for the country's 8 million inhabitants. Many U.S. firms base their European or regional headquarters in Switzerland, drawn to the country's low corporate tax rates, productive and multilingual work force, and famously well maintained infrastructure and transportation networks. In 2015, the World Economic Forum once again rated Switzerland the world's most competitive economy – the country's seventh consecutive #1 ranking. That high ranking not only reflects the country's sound institutional environment, but also Switzerland's ubiquitously high levels of technological and scientific research and investment.

With very few exceptions, Switzerland welcomes foreign investment, accords it national treatment, and does not impose, facilitate, or allow barriers to trade. According to the OECD, Swiss general public administration ranks #1 globally in output efficiency, while Switzerland's public administration enjoys the highest public confidence of any national government in the OECD. Switzerland's judiciary system is equally effective and efficient, posting the shortest trial length of any of the OECD's 34 member countries.

Many of Switzerland's cantons make significant use of financial incentives to attract investment to their jurisdictions. Some of the more aggressive cantons have occasionally waived taxes for new firms for up to ten years; however, this practice has been criticized by the European Union and is consequently likely to be phased out between 2018 and 2020.

Individual income tax rates vary widely across Switzerland's 26 cantons. Corporate taxes also vary depending upon the country's many different tax incentives. Zurich, which is sometimes used as a reference point for corporate location tax calculations within Switzerland, has a rate of around 25%, which includes municipal, cantonal, and federal tax.

Some formerly public Swiss monopolies continue to retain market dominance despite partial or full privatization. As a result, foreign investors sometimes find it difficult to enter these markets. Additionally, the OECD ranks Switzerland's educational, healthcare and agriculture costs and subsidies as high when rated against output. The Swiss agricultural sector remains one of the best protected and heavily subsidized markets in the world. Despite heavy government support (direct payments comprise two thirds of an average farm income), Switzerland's agricultural sector has the second lowest productivity among OECD members.

Switzerland is one of four members (together with Iceland, Liechtenstein, and Norway) of the European Free Trade Association (EFTA), an intergovernmental trade organization and a free trade area that operates in parallel with the European Union (EU) and participates in the EU's single market. With one million EU citizens living in Switzerland, 400,000 Swiss citizens living in the EU, and the EU accounting for the majority of Switzerland's trade, the EU remains a critically important relationship for the Swiss. The Swiss public's approval of a February 9, 2014 public referendum restricting immigration into Switzerland has, however, deeply strained current relations with the EU. While not a member of the EU, Switzerland remains politically bound to the European Union through its EFTA relationship, membership in the Schengen Area, and a series of more than 120 bilateral treaties. A "guillotine clause" in Switzerland's many agreements with the EU stipulates that if one agreement is terminated or compromised, such as the free movement of people conditions in the Schengen Agreement, then the entire body of bilateral treaties will be null and void.

The implementation of the constitutionally binding February 9th, 2014 referendum on immigration restriction – which is set to enter into force by 2017 -- could therefore have enormous economic implications for Switzerland, particularly if it is implemented in violation of the Free Movement of Persons agreement. The Swiss government is currently in discussions with the EU on resolving this matter, with very little indication of a solution to date.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	7 of 167	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	26 of 189	doingbusiness.org/rankings
Global Innovation Index	2015	1 of 141	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country ($M USD, stock positions)	2014	USD 224 billion	U.S. Bureau of Economic Analysis

World Bank GNI per capita	2013	USD 90,760	data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

With the exception of a heavily protected agricultural sector, foreign investment into Switzerland is generally not hampered by significant barriers, with no discrimination against foreign investors or foreign-owned investments being reported. Incidents of trade discrimination do exist, for example with regards to the importation of luxury low-volume vehicles and carbon dioxide targets.

Other Investment Policy Reviews

The World Trade Organization (WTO) published a Trade Policy Review of Switzerland and Liechtenstein in August 2013 that includes investment information. Other reports containing elements referring to the investment climate in Switzerland include the OECD Economic Survey of November 2015.

Link to the OECD reports / papers:
http://www.oecd-ilibrary.org/economics/oecd-economic-surveys-switzerland-2015_eco_surveys-che-2015-en

Link to the WTO report:
https://www.wto.org/english/tratop_e/tpr_e/g280_e.pdf

Laws/Regulations on Foreign Direct Investment

The major laws governing foreign investment in Switzerland are the Swiss Code of Obligations, the Lex Friedrich/Koller, Switzerland's Securities Law, and the Cartel Law. There is no screening of foreign investment beyond a normal anti-trust review. There are few sectoral or geographic preferences or restrictions. Several exceptions are described below in the section on performance requirements and incentives.

Some former public monopolies retain their historical market dominance despite partial or full privatization. Foreign investors sometimes find it difficult to enter these markets due to high entry costs and the relatively small size of the Swiss market.

There is no pronounced interference in the court system that should affect foreign investors.

Useful websites:

The Swiss Code of Obligations including an unofficial English translation:
https://www.admin.ch/opc/de/classified-compilation/19110009/index.html

Information on the acquisition of property in Switzerland by persons abroad:
https://www.bj.admin.ch/dam/data/bj/wirtschaft/grundstueckerwerb/lex-e.pdf

Unofficial English translation of the Federal Act on Stock Exchanges and Securities Trading:
http://www.six-swiss-exchange.com/download/participants/participation/education/sesta-stock-exchange-act-en.pdf

The Federal Act on Cartels and other Restraints of Competition including an unofficial English translation:
https://www.admin.ch/opc/en/classified-compilation/19950278/index.html

Business Registration

Switzerland has a dual system for granting work permits and allowing foreigners to create their own companies in Switzerland. Employees from the EU/EFTA area can benefit from the Free Movement of Persons Agreement. Entrepreneurs from third states who are not citizens of an EU/EFTA country and want to become self-employed in Switzerland have to meet Swiss labor market requirements. The criteria for admittance are contained in the Federal Act on Foreign Nationals (FNA), the Decree on Admittance, Residence and Employment (VZAE) and the provisions of the FNA and the VZAE

Unofficial translation of the Federal Act on Foreign Nationals (FNA):
https://www.admin.ch/opc/en/classified-compilation/20020232/index.html

Decree on Admittance, Residence and Employment (VZAE), not available in English:
https://www.admin.ch/opc/de/classified-compilation/20070993/index.html

Provisions of the FNA and the VZAE (not available in English):
http://www.ejpd.admin.ch/dam/data/bfm/rechtsgrundlagen/weisungen/auslaender/weisungen-aug-d.pdf

Once preliminary questions regarding the nationality of a company's founder or employees have been addressed, company registration is outlined on
https://www.ch.ch/en/becoming-self-employed/

Depending on where you want to set up your company in Switzerland, you have to register at a regional Commercial Registry. The cost for registering a company through this process is typically $1,100 - $15,000, depending on the type of company being registered. These costs mainly cover the Public Notary and entry into the Commercial Registry.

Other steps/procedures for the registration include 1) place the paid-in capital in an escrow account with a bank, 2) draft articles of association in the presence of a notary public, 3) file a deed certifying the articles of association to the local commercial register to obtain a legal entity registration, 4) pay the stamp tax at a post office or bank after receiving an assessment by mail, 5) register for VAT and 6) enroll employees in the social insurance system (federal and cantonal authorities).

The World Bank Doing Business Report ranks Switzerland 69th in starting a business, as the process in Switzerland involves six steps, a duration of 10 days to set up a company, and relatively high capital requirements.

Switzerland defines small companies as those having less than 49 employees, and medium-sized companies as those having 50 to 249 employees, and large companies as those with more than 250 employees.

Switzerland Global Enterprise (SGE) has a nationwide mandate to attract foreign business to Switzerland. Larger regional offices include the Greater Geneva Berne area (that covers large parts of Western Switzerland), the Greater Zurich area, and the Basel area. The different districts usually have an office dedicated exclusively to business promotion, helping facilitate real estate location, beneficial tax arrangements, and employee recruitment plans. There is no minimum threshold in terms of the number of jobs created or investment for foreign companies to qualify to receive help in getting established in Switzerland. Nevertheless, Swiss promotion offices generally focus on attracting medium-sized entities (creating between 50 and 249 jobs in their region).

References:

Micro companies (less than 10 persons) and other companies can get support for the creation of a company: https://www.startbiz.ch/en/home.html

Switzerland Global Enterprise plays a role in connecting the companies with their potential host regions: http://www.s-ge.com/global/about/en/content/investment-promotion

Some of the larger promotion offices are:

Greater Geneva Bern Area: http://ggba-switzerland.ch/

Greater Zurich Area: https://www.greaterzuricharea.com

Basel Area: http://www.baselarea.ch/

Industrial Promotion

Various Swiss promotion efforts focus on job creation in manufacturing and services. Industrial promotion is uniform and generally effective throughout the country, with a number of effective global industry clusters taking root in med-tech, pharma, precision tools, banking, finance, and light manufacturing.

Limits on Foreign Control and Right to Private Ownership and Establishment

Foreign and domestic enterprises may engage in various forms of remunerative activities in Switzerland and may freely establish, acquire and dispose of interests in business enterprises in Switzerland. There are, however, some investment restrictions in areas under state monopolies, including certain rail transport services, some postal services, and certain insurance services and commercial activities (e.g. trade in salt). Restrictions (in the form of domicile requirements) also exist in air and maritime transport, hydroelectric and nuclear power, operation of oil and gas pipelines, and the transportation of explosive materials. Additionally, the following legal restrictions apply within Switzerland:

Corporate boards: There are no laws authorizing private firms to limit or prohibit foreign investment or participation. The board of directors of a company registered in Switzerland must consist of a majority of Swiss citizens residing in Switzerland; at least one member of the board of directors that is authorized to represent the company (i.e., to sign legal documents) must be domiciled in Switzerland. If the board of directors consists of a single person, this person must have Swiss citizenship and be domiciled in Switzerland. Foreign controlled companies usually meet these requirements by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. Mitigating these requirements is the fact that the manager of a company need not be a Swiss citizen and company shares can be controlled by foreigners (except for banks). The establishment of a commercial presence by persons or enterprises without legal status under Swiss law requires an establishment authorization, according to cantonal law. The aforementioned requirements do not generally pose a major hardship or impediment for U.S. investors.

Hostile takeovers: Swiss corporate shares can be issued both as registered shares (in the name of the holder) or bearer shares. Provided the shares are not listed on a stock exchange, Swiss companies may, in their articles of incorporation, impose certain restrictions on the transfer of registered shares to prevent hostile takeovers by foreign or domestic companies (article 685a of the Code of Obligations). Hostile takeovers can also be annulled by public companies; however, legislation introduced in 1992 made this practice more difficult. Public companies must now cite in their statutes significant justification (relevant to the survival, conduct, and purpose of their business) to prevent or hinder a takeover by a foreign entity. Furthermore, public corporations may limit the number of registered shares that can be held by any shareholder to a percentage of the issued registered stock. In practice, many corporations limit the number of shares to 2-5% of the relevant stock. Under the public takeover provisions of the Stock Exchange and Securities Law (1997), a formal notification is required when an investor purchases more than 3% of a Swiss company's shares. An "opt-out" clause is available for firms which do not want to be taken over by a hostile bidder, but such opt-outs must be approved by a super-majority of shareholders and must take place well in advance of any takeover attempt (i.e., any takeover already launched).

Banking: Those wishing to establish banking operations in Switzerland must obtain prior approval from the Swiss Financial Market Supervisory Authority (FINMA). The Swiss Federal Banking Commission, the Federal Office of Private Insurance, and the Anti-Money Laundering Control Authority were merged in January 2009 to form FINMA. This body aims to promote confidence in financial markets and protect customers, creditors, and investors. FINMA approval of bank operations is generally granted if the following conditions are met: reciprocity on the part of the foreign state; the foreign bank's name must not give the impression that the bank is Swiss; the bank must adhere to Swiss monetary and credit policy; and a majority of the bank's management must have their permanent residence in Switzerland. Otherwise, foreign banks are subject to the same regulatory requirements as domestic banks.

Banks organized under Swiss law have to inform FINMA before they open a branch, subsidiary or representation abroad. Foreign or domestic investors have to inform FINMA before acquiring or disposing of a qualified majority of shares of a bank organized under Swiss law. In case of exceptional temporary capital outflows threatening Swiss monetary policy, the Swiss National Bank may force other institutions to seek approval before selling foreign bonds or other financial instruments. On December 20, 2008 government protection of current accounts held in Swiss banks was raised from CHF 30,000 to CHF 100,000.

Insurance: A federal ordinance requires the placement of all risks physically situated in Switzerland with companies located in the country. Therefore, it is necessary for foreign insurers wishing to provide liability coverage in Switzerland to establish a subsidiary or branch there.

U.S. investors have not identified any specific restrictions that create market access challenges for foreign investors.

Privatization Program

Switzerland has no current plans to privatize any of its state-owned enterprises.

Screening of FDI

Foreign investments are subject to review by the Federal Competition Commission if the value of the investing firm's sales reaches a certain worldwide or Swiss-market threshold. An investment or joint venture by a foreign firm can be canceled on the grounds of competition policy, although there is no evidence that regulators have applied these rules in a discriminatory manner. With the exception of natural monopolies (rail, utilities, etc.), Switzerland maintains non-discriminatory competition between foreign and domestic commercial entities.

Competition Law

The Swiss Federal Competition Commission initiates investigations against entities suspected of damaging competition and issues decisions after an analysis of economic competitiveness in the sector. Price Controls are part of the Swiss Ministry of Economy, Education and Research. Price Controllers can suggest price modifications in the areas of radio, television, the federal railway system, postal services, water, waste removal, and the medical sector.

Legislation on competition within Switzerland has not changed substantially since 2004. Four main laws continue to regulate competition: the Federal Law on cartels and other impediments to competition of October 6, 1995 (Cartels Law, LCart, RS 251), amended in 2004; the Federal Law against unfair competition of October 22, 1992 (LCD, LR 24), amended in 2002; the Federal Law on the internal market of October 6, 1995 (LMI, RS 943.02), amended in 2006; and the Law on price surveillance of December 20, 1985 (LSPr).

2. Conversion and Transfer Policies

Foreign Exchange

On January 15, 2015 Switzerland’s National Bank (SNB) made the remarkable and largely unanticipated move of abandoning the Swiss Franc’s 1.20 Euro peg, roiling global currency markets. In the wake of the SNB’s announcement, the Swiss Franc dramatically increased in value by over 30 percent against the Euro, before settling to an 8 percent appreciation at 1.0 Euro:1.10 CHF. The Swiss Franc currently trades around parity with the dollar, with one Swiss Franc equaling 1.01 USD (03/15/2016). The strength of the Swiss Franc has not only lowered import prices in Switzerland, but has it also deeply eroded Swiss export competitiveness, introducing volatility risk into the previously stable Swiss market.

Remittance Policies

There are currently no restrictions on converting, repatriating, or transferring funds associated with an investment (including remittances of capital, earnings, loan repayments, lease payments, royalties) into a freely usable currency and at the a legal market clearing rate

3. Expropriation and Compensation

There are no known cases of expropriation within Switzerland.

4. Dispute Settlement

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

Switzerland has a civil legal system divided into public and private law. Public law governs the organization of the State, as well as the relationships between the State and private individuals (or other entities such as companies). Constitutional law, administrative law, tax law, criminal law, criminal procedure, public international law, civil procedure, debt enforcement, and bankruptcy law are sub-divisions of public law.

Private law governs the relationship between individuals. Swiss civil law is mainly contained in the Swiss Civil Code (which governs the status of individuals, family law, inheritance law, and property law) and in the Swiss Code of Obligations (which governs contracts, torts, commercial law, company law, law of checks and other payment instruments). Intellectual property law (copyright, patents, trademarks, etc.) are also areas of private law. Labor is governed by both private and public law.

Judiciary organization differs from canton to canton. In smaller cantons, only one court may exist, but larger cantons may have many more. All the cantons have established a high court, but only four cantons (Zurich, Bern, St. Gallen and Aargau) have a specialized commercial court that is part of the high court. There are no specialized courts on matters related exclusively to intellectual property rights. Verdicts of the cantonal high courts can be appealed to the Swiss Supreme Court. The court system is independent, competent and fair.

Switzerland is also a participant in a number of bilateral and multilateral treaties governing the recognition and enforcement of foreign judgments. A multilateral treaty (the Lugano Convention) tying Switzerland to European legal conventions entered into force in 2011, replacing an older legal framework with the same name. A set of bilateral treaties are also in place to handle judgments of specific foreign courts. There is no such agreement in place between the U.S. and Switzerland, although Switzerland operates under the New York Convention on Recognition and Enforcement of Foreign Arbitral Law, meaning local courts must enforce international arbitration awards under certain circumstances.

Bankruptcy

The World Bank's "Doing Business" survey ranks Switzerland 44th out of 189 countries in resolving insolvency. The average time to close a business in Switzerland is three years (as opposed to 1.7 years across the OECD), with an average of 47.6 cents on the dollar recovered by claimants from insolvent firms (as opposed to 70.6 cents OECD average).

The Swiss Federal Statute on Private International Law (PILS, articles 166-175, in force since January 1, 1989) governs Swiss recognition of foreign insolvency proceedings, including bankruptcies, foreign compositions, and arrangements. Swiss law requires reciprocity for recognition of foreign insolvency.

Investment Disputes

No investment disputes have been recorded involving U.S. or foreign entities in Switzerland in the past 10 years.

International Arbitration

The Chambers of Commerce and Industry of Basel, Bern, Geneva, Lausanne, Lugano, Neuchâtel and Zurich have also established the Swiss Chambers' Arbitration Institution, which offers dispute resolution based on Swiss Rules of International Arbitration and Swiss Rules of Commercial Mediation. According to the Swiss Chambers' Arbitration Institution, 104 cases were submitted in 2014, all of which were related to the purchase and sale of goods. Ninetyseven of these cases were accepted under Swiss rules; 23% of the cases were Swiss, 51% were Western European, 4% were from North America.

ICSID Convention and New York Convention

Switzerland has been a member of the International Center for Settlement of Investment Disputes (ICSID) since June 14 1968 and a member of the New York Convention on Recognition and Enforcement of Foreign Arbitral Law since June 1 1965, meaning local courts must enforce international arbitration awards under certain circumstances.

Duration of Dispute Resolution – Local Courts

The duration of dispute resolution depends on the parties. If a party appeals the decision of a first instance court and the (Cantonal) high court up to the Supreme Court, a verdict may take one to two years.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Switzerland is a member of the WTO and adheres to the WTO Agreement on Trade-Related Investment Measures. U.S. businesses operating in Switzerland have not raised inconsistencies with the WTO TRIMS obligations.

Investment Incentives

Many of Switzerland's cantons make significant use of financial incentives to attract investment to their jurisdictions. Some of the more aggressive cantons have occasionally waived taxes for new firms for up to ten years; however this practice has been criticized by the European Union. Individual income tax rates vary widely across the 26 cantons. Corporate taxes also vary depending upon the country’s many different tax incentives. Zurich, sometimes used as a benchmark for corporate location tax calculations, has a 25% tax rate, which includes municipal, cantonal, and federal tax. In its “Doing Business” survey the World Bank ranks Switzerland as the 26th most attractive destination for doing business in the world. The Swiss-based International Institute for Management Development (IMD) World Competitiveness Scoreboard ranks Switzerland fourth. However, the approval of a February 9, 2014 public referendum restricting immigration has strained relations with the EU. The implementation of this referendum – which is set to take place by 2017 -- could have negative economic consequences for Switzerland, particularly if it is implemented in violation of the European Free Trade Area’s “Free Movement of Persons” agreement (i.e. Shengen). The Swiss government is currently in discussions with the EU on this matter.

Research and Development

Scholars and artists from the U.S. can apply to the State Secretariat for Education and Research for Swiss Government Excellence Scholarships. The Swiss National Fund’s strategy states “Universities, governments and research funding bodies negotiate and implement co-operation agreements with the aim of supporting the international component of research and creating an institutional framework to promote co-operation.” Switzerland has various instruments in place to promote research and innovation such as: the National Institutions for Research and Innovation Promotion, the National Centers of Competences in Research, the National Research Programs, or the Research in Swiss Government Departments.

Performance Requirements

The Swiss government does not mandate local employment or impose any other performance requirements, such as local content requirements.

Data Storage

There are no “forced localization” laws designed to force foreign investors to use domestic content in goods or technology (i.e. storage of data within Switzerland). Nevertheless, the Swiss Federal Council decided on February 5, 2014 to exclude foreign-held companies from working with the Swiss government or related entities when the work was in relation with critical infrastructure. The interpretation of this decision is still pending in the Swiss court system.

Businesses also need to be aware that Switzerland follows strict privacy laws and certain data may not be collected in Switzerland as it is deemed personal and particularly “worthy of protection.” The collection of certain data may need to be registered at the office of the Federal Data Protection and Information Commissioner.

6. Protection of Property Rights

Real Property

Physical property rights are recognized and enforced within Switzerland, which currently ranks 16th out of 189 countries in “registering property” according to the World Bank’s Doing Business Report.

Intellectual Property Rights

Customs authorities in Switzerland have the authority to seize counterfeit goods if asked by owners of intellectual property (i.e. patent, trademark or copyright) or related interest groups (i.e. professional associations). Goods can be seized for 10 days if there is reasonable suspicion. Provisional measures can also be obtained from a Swiss court to ensure evidence is not destroyed. If the destruction of goods is requested by an intellectual property owner, the owner of the goods can dispute that claim in writing within 10 days. The owner of the intellectual property covers the costs for the destruction of the goods. (Does Switzerland track and report on seizures of counterfeit goods? If available, please provide statistics or provide a link.)

While Switzerland effectively enforces intellectual property rights linked to patents and trademarks, Swiss authorities are less thorough in enforcing copyright laws, particularly on the internet. This issue stems from the interpretation of a September 2010 Swiss court verdict (the “Logistep” case), in which the Swiss High Court ruled that internet protocol addresses required protection, and subsequently could not be used to identify violators of copyright on the internet.

Although uploading of copyright-protected material remains illegal within Switzerland, in practice downloads have become widespread throughout Switzerland. Swiss prosecutors continue to refuse to engage in legal proceedings against alleged violators or service providers. Switzerland has subsequently become a haven for global piracy, with a number of global piracy platforms managing their operations in and from Switzerland. In 2014, the U.S. House of Representative’s “Creativity and Theft-Prevention Caucus” included Switzerland, alongside Russia, China, and India, as one of the world's worst environments for protecting copyrights. There is currently an amendment of the copyright law pending in the Swiss parliament that would allow copyright holders to more effectively engage with internet and access providers and to identify uploaders of protected works and to bring them to court. The new law will not come in to force until 2019, if at all.

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/e

Resources for Rights Holders

Jeremy Beer, Economic/Commercial Officer
Raphael Vogel, Economic Specialist
U.S. Embassy in Bern, Sulgeneckstrasse 17, 3003 Bern, Switzerland
+41 31 357 7319
Business-bern@state.gov

Country / Economy resources

Swiss American Chamber of Commerce
Talacker 41
8001 Zurich
+41 43 443 72 00
info@amcham.ch

7. Transparency of the Regulatory System

The Swiss government uses transparent policies and effective laws to foster a competitive investment climate. Proposed laws and regulations are open for public comment (including interested parties, interest groups, cantons and cities) then discussed within the bicameral parliamentary system and may be subject to facultative or automatic referenda that allow the Swiss voters to reject or accept the proposals.

8. Efficient Capital Markets and Portfolio Investment

The Swiss government's attitude toward foreign portfolio investment and market structures are positive, as demonstrated through frequent high global rankings.

Money and Banking System, Hostile Takeovers

Switzerland is home to a sophisticated banking system that provides a high degree of service to both foreign and domestic entities. Switzerland also has an effective regulatory system that encourages and facilitates portfolio investment. Domestic and foreign bidders are treated equally when it comes to hostile takeovers within Switzerland. The professional services firm Deloitte estimates that Switzerland's banks manage around USD 2 trillion in investments, with 14% growth since 2008. Switzerland also maintains an independent central bank.

In Switzerland, U.S. citizens may face discrimination from smaller Swiss banks as a result of ongoing tax evasion investigations being conducted by the U.S. Department of Justice.

9. Competition from State-Owned Enterprises

Switzerland's five State-Owned Enterprises (SOEs) are active in the areas of ground transportation (travel), information and communication, defense, and aerospace (services). These companies are typically involved in "public function mandates," but may also cover commercial activities (i.e. Swisscom in the area of telecommunications). The five companies in which the Swiss Confederation is either the largest shareholder or the sole shareholder are: CFF, Swisscom, Skyguide, Swiss Post, and Ruag.

Other SOEs controlled by the cantons are active in the areas of energy, water supply, and a number of subsectors. SOEs may benefit from exclusive rights and privileges (some of them are listed in the WTO Trade Policy Review in Table A3.1). SOEs typically interact with private industry and are also active in foreign markets (i.e. Swisscom and Ruag). Private sector competitors can compete with SOEs under the same terms and conditions with respect to access to markets, credit, and other business operations.

Switzerland is a party to the Government Procurement Agreement (GPA). Some areas are partly or fully exempted from the GPA such as the management of drinking water, energy, transportation, telecommunication or defense. Due to these exceptions and their often historical monopolies in Switzerland, private companies may find it difficult or impossible to compete with these Swiss SOEs.

OECD Guidelines on Corporate Governance of SOEs

Switzerland adheres to the OECD Corporate Governance Principles and OECD Guidelines on Corporate Governance for SOEs. Swiss SOEs are required to report annually to the Federal Council on the achievement of their strategic goals. While consulting with the competent ministries, the Federal Council approves the reports from the SOEs and their annual budget. The Swiss parliament then considers whether the Federal Council has supervised the SOEs appropriately. SOEs have not been involved in investment disputes, but they often block private actors from winning bids due to their status in their market segment (i.e. privileged partner of the Swiss government).

Sovereign Wealth Funds

Switzerland does not have a sovereign wealth fund or an asset management bureau.

10. Responsible Business Conduct

The Swiss government and Swiss companies are generally aware of the importance of pursuing the due diligence approach to responsible business conduct (RBC) and demonstrating corporate social responsibility (CSR). In response to criticism from civil society about the business practices of Swiss companies abroad, the Swiss government has commissioned a series of reports on the government's role in ensuring CSR, particularly in the commodities sector. In April 2015, the Swiss government announced a national action plan on CSR:

http://www.news.admin.ch/NSBSubscriber/message/attachments/38880.pdf

The Government of Switzerland takes an active role in developing and promoting global RBC standards within multilateral organizations. As an OECD member, Switzerland adheres to the OECD Guidelines for Multinational Enterprise, and is currently drafting a national action plan in conjunction with its commitments under the UN Guiding Principles on Business and Human Rights. The Swiss Government also participated in the drafting and implementation of the

OECD Due Diligence Guide for Responsible Supply Chains of Minerals from Conflict and High Risk Areas, is a member of the Extractive Industries Transparency Initiative, and supports the Better Gold Initiative, which promotes responsible gold mining in Peru, with plans to expand to Bolivia and Colombia. The State Secretariat for Economic Affairs (SECO) houses Switzerland's National Contact Point for the OECD Guidelines and can be contacted at:

http://mneguidelines.oecd.org/ncps/switzerland.htm

Switzerland has signed onto a number of nonbinding agreements outlining best practices for corporations, including the Voluntary Principles on Security and Human Rights and the International Code of Conduct for Private Security Service Providers. An ongoing political debate exists over whether Swiss courts should exercise jurisdiction to hear cases of alleged harm (human rights and environmental) done by Swiss companies in foreign countries.

Of additional note, Switzerland was recently ranked 1st out 178 countries evaluated by the Yale University-based Environmental Performance Index (EPI). In 2013, Swiss voters also approved a referendum allowing shareholders to curb excessive executive pay. Lastly, the Switzerland-based "Thun Group" is a global leader in translating the RBC risk-based due diligence approach to voluntary guidelines for the financial sector.

Latest update to the Background report on Commodities:
http://www.news.admin.ch/NSBSubscriber/message/attachments/40643.pdf

Information about the Swiss Better Gold Association:
http://www.swissbettergold.ch/en/about

11. Political Violence

Political violence is very rare in Switzerland but is perpetrated by representatives of both left and right-wing groups, including nuclear power opponents and neo-Nazi groups. The most relevant act in recent years occurred in April 2011 when a letter bomb targeting employees of a lobbying organization for nuclear power exploded. A group of Turkish nationalists similarly clashed with a group of Kurdish independence supporters on the streets of Bern (the nation's capital) in 2015, angered by the ongoing conflict between their two ethnic groups in the Middle East. During the resulting violence two protestors were killed and a number of people were injured.

12. Corruption

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Switzerland ratified the UN Anticorruption Convention on September 24, 2009 and signed the OECD Anti-Bribery Convention in 1997. It entered into force on May 1, 2000.

Switzerland also maintains an effective legal and policy framework to combat domestic corruption. US firms investing in Switzerland have not complained of corruption to the Embassy in recent years, and laws appear to be enforced effectively. The giving or accepting of bribes in Switzerland is subject to criminal and civil penalties, including imprisonment up to five years.

In February 2001 Switzerland signed the Council of Europe's Criminal Law Convention on Corruption, and signed the UN Convention against Corruption in December 2003. In order to implement the Council of Europe's convention, the Swiss parliament amended the Penal

Code to make bribery of foreign public officials a federal offense (Title Nineteen "Bribery"). These amendments entered into force on May 1, 2000. In accordance with the revised 1997 OECD Anti-Bribery Convention, the Swiss parliament amended legislation on direct taxes of the Confederation, cantons, and townships to prohibit the tax deductibility of bribes. These amendments became effective on January 1, 2001.

Under Swiss law, officials are not to accept anything that would "challenge their independence and capacity to act." According to the law, the range of permissible receipt of “individual advantages” is a sliding scale, depending on the role of the official. Some officials may receive no advantages at all (e.g., those working for financial regulators), while others are allowed to receive several hundred Swiss Francs. The upper-limit value of presents, such as bottles of champagne and watches, is a grey area that varies according to department and canton. Transparency International has recommended that a maximum sum valid at the federal level should be fixed. Some multinationals have assisted with the fight against corruption by setting up internal hotlines to enable staff to report problems anonymously.

The law provides criminal penalties for official corruption, and the government generally implements these laws effectively. Investigating and prosecuting government corruption is a federal responsibility. A majority of cantons also require members of cantonal parliaments to disclose their interests. A joint working group comprising representatives of various federal government agencies works under the leadership of the Federal Department of Foreign Affairs to combat corruption.

On September 24, 2009, Switzerland ratified the United Nations Convention against Corruption. Government experts believe this ratification will not result in significant changes, since passive and active corruption of public servants is already considered a crime under the Swiss Criminal Code (Art. 322).

In October 2013, the Group of States against Corruption (GRECO, Council of Europe) concluded “that the current low level of compliance with the recommendations is ‘globally unsatisfactory.” Areas which needed particular attention were transparency of party funding, criminalization of trading in influence, and the dual criminality requirement. Switzerland maintains its official reservations on the relevant articles in the Criminal Law Convention on Corruption.

A number of Swiss federal administrative authorities are also involved in combating bribery. The Swiss State Secretariat for Economic Affairs (SECO) deals with issues relating to the OECD Convention, the Federal Office of Justice deals with those relating to the Council of Europe Convention, and the Department of Foreign Affairs deals with the UN Convention. The power to prosecute and judge corruption offenses is shared between Swiss cantons and the Swiss federal government. For the federal government, the competent authorities are the Office of the Attorney General, the Federal Criminal Court and the Federal Police. In the cantons, the relevant actors are the cantonal judicial authorities and the cantonal police forces.

Resources to Report Corruption

Contact at government agencies:

Michel Huissoud
Director

Swiss Federal Audit Office
Monbijoustrasse 45
3003 Bern / Switzerland
Ph. +41 31 323 10 35
E-mail: verdacht@efk.admin.ch

Contact at “watchdog” organizations:

Martin Hilti
Executive Director
Transparency International Switzerland
Schanzeneckstrasse 25
P.O. Box 8509
3001 Bern / Switzerland
Ph. +41 31 382 3550
E-Mail: info@transparency.ch

13. Bilateral Investment Agreements

While the United States and Switzerland do not share an investment agreement, Switzerland has concluded numerous investment protection treaties with developing and emerging market economies; over 120 BITs and 30 relevant FTAs remain in force. See the UNCTAD Investment Policy Hub for a full listing:

http://investmentpolicyhub.unctad.org/IIA/CountryBits/203#iiaInnerMenu

Bilateral Taxation Treaties

Switzerland concluded an Income Tax Treaty with the United States in 1996. A 2009 Protocol to this Treaty has been ratified by Switzerland, but not by the U.S. Senate.

14. Foreign Trade Zones/Free Ports/Trade Facilitation

Not applicable.

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)	2014	$701.9	2014	$701.0 billion	www.worldbank.org/en/country

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)	2014	$222.5 billion	2014	$152.8 billion	http://bea.gov/international/direct_investment_ multinational_companies_comprehensive_data.htm
Host country's FDI in the United States ($M USD, stock positions)	2014	$253.5 billion**	2014	$224.0 billion	http://bea.gov/international/direct_investment_ multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2014	117.7%	2013	115%	https://data.oecd.org/fdi/fdi-stocks.htm.

*Data are from either the Federal Statistical Office (www.bfs.admin.ch) or the Swiss National Bank (www.snb.ch)

**Including Canada

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			Outward Direct Investment		
Total Inward	798,624	100%	Total Outward	1,064,130	100%
Luxembourg	187,472	23%	United States	193,479	18%
Netherlands	179,794	23%	Luxembourg	128,305	12%
United States	101,417	13%	Netherlands	97,511	9%
Austria	60,214	8%	United Kingdom	59,494	6%
France	40,140	5%	Canada	41,227	4%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets
Top Five Partners (Millions, US Dollars, June 2015)

Total			Equity Securities			Total Debt Securities		
All Countries	1,297,820	100%	All Countries	605,173	100%	All Countries	692,647	100%
United States	271,397	21%	Luxembourg	174,257	29%	United States	150,663	22%
Luxembourg	205,484	16%	United States	120,734	20%	Netherlands	65,824	10%
France	92,068	7%	Ireland	49,611	7%	France	65,509	9%
Germany	89,353	7%	Cayman Islands	45,015	7%	United Kingdom	56,587	8%
United Kingdom	87,350	7%	United Kingdom	32,781	6%	Germanys	52,209	8%

Liechtenstein

Liechtenstein's investment conditions are virtually identical in most key aspects to those in Switzerland, due to its dependence on the Swiss economy. The two countries have their own customs union and Swiss authorities are responsible for implementing import and export regulations. Additionally both countries are members of the European Free Trade Association (EFTA), an intergovernmental trade organization and a free trade area that operates in parallel with the European Union (EU) and participates in the EU's single market. Liechtenstein has a stable and open economy that has created almost 36,700 jobs, practically exceeding the domestic population of 37,400 – requiring a substantial number of foreigners (mainly Swiss and Austrians) to fill many of these jobs. Liechtenstein is also a very wealthy country – when adjusted for purchasing power parity, its per capita gross domestic product (GDP) is the highest in the world. According to the Liechtenstein Statistical Yearbook , the tertiary sector creates 60.4% of Liechtenstein's jobs, particularly in the finance sector, followed by the secondary sector (especially manufacturing tools, precision instruments, and dental products), which employs 38.8% of the work force. Agriculture accounts for less than 1% of the country's employment.

The country reformed its tax system in 2011. The corporate tax rate, at 12.5%, is one of the lowest in Europe. Capital gains, inheritance, and gift taxes have been abolished. The Embassy has no recorded complaints from U.S. investors stemming from market restrictions in Liechtenstein.

Link to statistical yearbook of Liechtenstein:

http://www.llv.li/#/1859/statistisches-jahrbuch

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:

civil law system influenced by Swiss, Austrian, and German law

International organization participation:

CD, CE, EBRD, EFTA, IAEA, ICRM, IFRCS, Interpol, IOC, IPU, ITSO, ITU, ITUC (NGOs), OPCW, OSCE, PCA, Schengen Convention, UN, UNCTAD, UPU, WIPO, WTO

Section 6 - Tax

Exchange control

For further information - http://www.liechtenstein.li/index.php?id=54&L=1

Treaty and non-treaty withholding tax rates

Liechtenstein has signed **33 agreements** (**9 DTC** and **24 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
Andorra	TIEA	18 Sep 2009	10 Jan 2011	No	Yes
Antigua and Barbuda	TIEA	24 Nov 2009	16 Jan 2011	No	Yes
Australia	TIEA	21 Jun 2011	21 Jun 2012	Yes	Yes
Austria	DTC	5 Nov 1969	7 Dec 1970	No	No
Austria	DTC Protocol	29 Jan 2013	not yet in force	Yes	Yes
Belgium	TIEA	10 Nov 2009	not yet in force	No	Yes
Canada	TIEA	31 Jan 2013	not yet in force	Yes	Yes
Denmark	TIEA	17 Dec 2010	7 Apr 2012	Yes	Yes
Faroe Islands	TIEA	17 Dec 2010	3 Apr 2012	Unreviewed	Yes
Finland	TIEA	17 Dec 2010	4 Apr 2012	Yes	Yes
France	TIEA	22 Sep 2009	19 Aug 2010	Yes	Yes
Germany	DTC	18 Nov 2011	19 Dec 2012	Yes	Yes
Germany	TIEA	2 Sep 2009	28 Oct 2010	Yes	Yes
Greenland	TIEA	17 Dec 2010	13 Apr 2012	Unreviewed	Yes
Hong Kong, China	DTC	12 Aug 2010	8 Jul 2011	Yes	Yes
Iceland	TIEA	17 Dec 2010	31 Mar 2012	Yes	Yes
India	TIEA	28 Mar 2013	not yet in force	Yes	Yes
Ireland	TIEA	13 Oct 2009	30 Jun 2010	Yes	Yes
Japan	TIEA	5 Jul 2012	29 Dec 2012	Yes	Yes
Luxembourg	DTC	26 Aug 2009	17 Dec 2010	Yes	Yes
Mexico	TIEA	8 Apr 2013	not yet in force	Unreviewed	Yes
Monaco	TIEA	21 Sep 2009	14 Jul 2010	No	Yes
Netherlands	TIEA	10 Nov 2009	1 Dec 2010	Yes	Yes
Norway	TIEA	17 Dec 2010	31 Mar 2012	Yes	Yes
Saint Kitts and Nevis	TIEA	11 Dec 2009	14 Feb 2011	No	Yes
Saint Vincent and the Grenadines	TIEA	2 Oct 2009	16 May 2011	No	Yes
San Marino	DTC	23 Sep 2009	19 Jan 2011	Yes	Yes

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Singapore	DTC	27 Jun 2013	not yet in force	Unreviewed	Yes
Sweden	TIEA	17 Dec 2010	8 Apr 2012	Yes	Yes
Switzerland	DTC	22 Jun 1995	17 Dec 1996	No	No
United Kingdom	DTC	11 Jun 2012	19 Dec 2012	Yes	Yes
United Kingdom	TIEA	11 Aug 2009	2 Dec 2010	No	Yes
United States	TIEA	8 Dec 2008	4 Dec 2009	Yes	Yes
Uruguay	DTC	18 Oct 2010	3 Sep 2012	Yes	Yes

Methodology and Sources

Section 1 - General Background Report and Map

(Source: CIA World Factbook)

Section 2 - Anti – Money Laundering / Terrorist Financing

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

Section 3 - Economy

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

(Source: CIA World Factbook)

Section 4 - Foreign Investment

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

(Source: US State Department)

Section 5 - Government

Names of Government Ministers and general information on political matters.

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

Section 6 - Tax

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

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

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Gary Youinou

Via our Contact Page at KnowYourCountry.com