

St Lucia

RISK & COMPLIANCE REPORT

DATE: March 2018

Executive Summary - St Lucia

Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	US Dept of State Money Laundering Assessment Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions Offshore Finance Centre
Medium Risk Areas:	Weakness in Government Legislation to combat Money Laundering Failed States Index (Political Issues)(Average Score)

Major Investment Areas:

Agriculture - products:

bananas, coconuts, vegetables, citrus, root crops, cocoa

Industries:

tourism; clothing, assembly of electronic components, beverages, corrugated cardboard boxes, lime processing, coconut processing

Exports - commodities:

bananas 41%, clothing, cocoa, avacados, mangoes, coconut oil

Exports - partners:

US 13.1%, Peru 10.1%, UK 9.7%, Antigua and Barbuda 9.7%, Dominica 9.4%, France 8.5%, Barbados 8.5%, Trinidad and Tobago 7.9%, Grenada 6.4% (2012)

Imports - commodities:

food 23%, manufactured goods 21%, machinery and transportation equipment 19%, chemicals, fuels

Imports - partners:

Brazil 55%, US 18.3%, Trinidad and Tobago 9.5% (2012)

Investment Restrictions:

St. Lucia is open to investment in the following sectors: tourism and hotel development, information and communication technology, manufacturing, international financial services, agro-business, entertainment, and any other economic activity. Additional sectors may also be subject to approval. Only government-approved projects can be established in St. Lucia. In the past, government officials have not always acted expeditiously in engaging on a potential investment.

Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital. There is no general limit on the amount of foreign ownership or control in the establishment of a business.

Foreign investment in St. Lucia is not subject to any restrictions, and foreign investors are entitled to receive the same treatment as nationals of St. Lucia. The only restriction is the requirement to obtain an Alien Landholding License for foreign investors seeking to purchase property for residential or commercial purposes.

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Section 1 - Background

The island, with its fine natural harbor at Castries, was contested between England and France throughout the 17th and early 18th centuries (changing possession 14 times); it was finally ceded to the UK in 1814. Even after the abolition of slavery on its plantations in 1834, Saint Lucia remained an agricultural island, dedicated to producing tropical commodity crops. Self-government was granted in 1967 and independence in 1979.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

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

In May 2014, the CFATF acknowledged “the significant progress made by St. Lucia in improving its AML/CFT regime and notes that St. Lucia has established the legal and regulatory framework to meet its commitments in its agreed Action Plan regarding the strategic deficiencies that the CFATF had identified. St. Lucia is therefore no longer subject to the CFATF ICRG monitoring process.

Additionally, it is noted that under the CFATF follow-up process, since the adoption of its 2008 Mutual Evaluation Report, St. Lucia has developed and executed a reform agenda that has resulted in the great majority of Recommendations being fully resolved. Therefore, St. Lucia was removed from the CFATF follow-up process at the May 2013 Plenary in Managua, Nicaragua.

The May 2013 follow-up report (7th Follow-Up Report) for St. Lucia contains a detailed description and analysis of the actions taken by St. Lucia to rectify the deficiencies identified in respect of the Core and Key Recommendations rated PC or NC in their 2008 mutual evaluation report.”

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in St Lucia was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, St Lucia was deemed Compliant for 0 and Largely Compliant for 3 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

Key Findings from latest Mutual Evaluation Follow-up Report (2013):

Throughout the follow-up process Saint Lucia has amended several pieces of key legislation. The amendments were made to the Criminal Code through the Criminal Code (Amendment Act) No. 2 of 2010; the Extradition Act, through the Extradition (Amendment) Act No. 3 of 2010; the Proceeds of Crime Act through the Proceeds of Crime (Amendment) Act No. 4 of

2010; and the proceeds of Crime (Amendment) Act No. 15 of 2011; the Anti-Terrorism Act, through the Anti-Terrorism (Amendment) Act No 5 of 2010. Saint Lucia also enacted the Counter-Trafficking Act No 7 of 2010, which is intended to give effect and implement the Protocol to Prevent and Suppress and Punish Trafficking in persons; the Money Laundering (Prevention) Act No 8 of 2010 (MLPA) and the Money Service Act were also enacted and came into force on January 25th, 2010. The Payment System Act was enacted on 15th March, 2010 but it is unclear when this Act became law. Additionally, the Policy regarding a code of conduct for non-profit organisations and regulation of NPOs to promote transparency and accountability best practices was created. As at December 5th, 2008, the Anti-Terrorism Act of 2003 was brought into force, through the Anti-Terrorism Act (Commencement) Order. On Monday 17th May 2010, Money laundering (Prevention) (Guidance Notes) Regulations were made by the Attorney General pursuant to Section 43 of the 2010 MLPA incorporating the guidelines made by the FIA. Saint also enacted the Financial Services Regulatory Authority, FSRA Act. The MLPA was amended through the MLPA Amendment Act No. 9 of 2011, MLP(A)A.

Further amendments were made to the MLPA through the Money Laundering Prevention (Amendment) Act No. 9 of 2011 to further rectify deficiencies noted for Recommendation 5. Therefore, the Examiners recommendation that financial institutions, when they are in doubt about the veracity or adequacy of previously obtained customer identification, should be mandated to undertake CDD was covered.

DNFBP Regulations through the Money Laundering (Prevention) (Guidelines for Other Business Activity) Regulations (MLPGOBAR) as Statutory Instrument 2012, No. 83. Amendments to the Money Laundering (Prevention) (Guidance Notes) Regulations (MLPGNR) were effected through the Money Laundering (Prevention) (Guidance Notes) (Amendment) Regulations (MLPGNAR) as Statutory Instrument 2012 No. 82. Both Instruments were brought into force on August 10th, 2012.

Saint Lucia has acceded to the UN Convention for the Suppression of the Financing of Terrorism and the UN Convention against Corruption, on 18th November and 25th November, 2011, respectively. Saint Lucia also signed an MOU with St. Vincent and the Grenadines.

The Commercial Code (Bills of Exchange) (Amendment) Bill and the Insurance Bill have been drafted.

On February 26, 2013 Saint Lucia officially informed the Secretariat of its intention to submit an application for removal from regular follow-up to biennial updates. Following this, on March 18, 2013, in advance of the two (2) month deadline before the May 2013 Plenary, the Jurisdiction forwarded its application see (Appendix I) along with a full report on all the individual Recommendations for which it was required to take corrective action to cure deficiencies noted in its MER. It should be noted here that notwithstanding this action, Saint Lucia still ensured that its updated matrix (Appendix II) was forwarded to the Secretariat on time on February 28, 2013.

This seventh follow-up report is intended to be a detailed analysis of the progress, made by Saint Lucia, towards implementing the sixteen Key and Core Recommendations which, as is already noted at paragraph 2 above, were all rated as either PC or NC in the MER. A less

detailed analysis of the Other Recommendations that were also rated as either PC or NC is also included.

US Department of State Money Laundering assessment (INCSR)

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

OVERVIEW

St. Lucia's main sources of revenue are tourism and the offshore banking sector. It has a diverse manufacturing sector, and the government is trying to revitalize the banana industry. St. Lucia is a transit point for illegal drugs going toward the United States and Europe.

VULNERABILITIES AND EXPECTED TYPOLOGIES

Money laundering in St. Lucia primarily relates to drug trafficking. Illicit drug trafficking by organized crime rings and the laundering of drug proceeds by domestic and foreign criminal elements remain serious problems for St. Lucia. It is believed financial institutions unwittingly engage in currency transactions involving international narcotics trafficking proceeds. St. Lucia's Financial Intelligence Authority (FIA), its FIU, detected these new trends: large cash deposits in accounts followed by immediate withdrawals; large euro currency cash conversions; inter-account transfers without any economic rationale between related accounts either controlled by an individual or through associates; and purchase of real estate with cash and then resale.

According to St. Lucia authorities, the narcotics trade is the main source of illicit funds. These illicit proceeds are usually laundered through structured deposits and currency exchanges in the financial system. Illicit proceeds also enter the financial system through some ostensibly legitimate business operations.

St. Lucia has an offshore banking sector, which is supervised by the Financial Sector Supervision Unit of the Ministry of Finance. Onshore domestic banks are supervised by the Eastern Caribbean Central Bank. St. Lucia also has a FTZ where investors can establish businesses and conduct trade and commerce outside of the National Customs territory. Activities may be conducted entirely within the zone or between the St. Lucia free zone and foreign countries.

St. Lucia launched an economic citizenship program (CIP) in October 2015, but changed its fees and regulations in January 2016. An individual can obtain citizenship for a minimum donation to the National Economic Fund of U.S. \$100,000 per applicant, U.S. \$165,000 for an applicant and spouse, or U.S. \$190,000 for a family of up to four persons. Investment options include a U.S. \$300,000 minimum purchase in real estate, a U.S. \$3.5 million investment in an approved project, or a U.S. \$500,000 purchase of government bonds (increasing to U.S. \$550,000 for a family of four). Investment applicants must pay government fees of U.S. \$50,000 and up, depending on the number of dependents. Applicants also pay due diligence fees of U.S. \$7,500 per main applicant and U.S. \$5,000 for each additional applicant over 16 years of age. Application for economic citizenship must be made through a government-approved local agent. An in-person interview is not required. 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 also is increasingly concerned about the expansion of these programs due to the exposure to local corruption and the visa-free travel and ability to open bank accounts accorded these individuals.

KEY AML LAWS AND REGULATIONS

St. Lucia has comprehensive KYC rules.

There is a Tax Information Exchange Agreement between the Governments of St. Lucia and the United States.

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

AML DEFICIENCIES

There remains a substantial black market for smuggled goods in St. Lucia, mostly gold, silver, and other jewelry, predominantly smuggled from Guyana. There is a black market in high-quality jewelry purchased from duty free establishments in St. Lucia by both local and foreign consumers. Monies suspected to be derived from drug trafficking and other illicit enterprises are filtered into and washed through trading firms. TBML is evident in St. Lucia.

ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

St. Lucia authorities state that there was sufficient progress with regard to the prosecution of money laundering offenses under the Money Laundering Prevention Act and forfeiture of the proceeds of crime in accordance with the provisions of the Proceeds of Crime Act. The successful enforcement of the laws is a result of enhanced interagency cooperation among the Police, FIA, Customs, and the Public Prosecutions Office. For the period January to October 2017, a total of 17 persons were charged with the offense of money laundering, resulting in seven convictions with penalties ranging from fines to imprisonment. For the period January to October 2017, a total of 24 cash seizures totaled more than U.S. \$1.8 million.

The Customs and Excise Department is routinely confronted by false declarations, false invoicing, and fraudulent evasion of duties and taxes on goods.

Law enforcement and customs authorities should be given training on how to recognize and combat trade-based value transfer, which could be indicative of both customs fraud and money laundering. The Government of St. Lucia should improve investigative capacity within the police and courts to prosecute cash seizure and forfeiture cases expeditiously and successfully.

The government should ensure its CIP is adequately supervised and monitored to prevent its abuse by criminals.

EU Tax Blacklist

Saint Lucia was removed from the EU tax blacklist and placed on the EU tax grey list on 13 March 2018.

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

According to the US State Department, St Lucia does not conform with regard to the following government legislation: -

International Terrorism Financing Convention - States parties to the International Convention for the Suppression of the Financing of Terrorism, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

States Party to United Nations Convention Against Corruption - States party to the United Nations Convention against Corruption (UNCAC), or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

EU White list of Equivalent Jurisdictions

St Lucia 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

St Lucia is considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2017 (introduction):

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 2016 (introduction):

St. Lucia is classified a Tier 2 (watch list) country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

St. Lucia is a source and destination country for men, women, and children subjected to sex trafficking and forced labor. Documented and undocumented immigrants from the Caribbean and South Asia, including domestic workers, are the groups most vulnerable to human trafficking. Local and foreign children are subjected to sex trafficking, including by

parents and caregivers. Foreign women in prostitution are also vulnerable to sex trafficking. NGOs report disadvantaged young women from rural areas are vulnerable to sex trafficking. According to the government, business owners from St. Lucia, India, China, Cuba, and Russia are the most likely trafficking perpetrators in the country.

The Government of St. Lucia does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Despite these measures, the government did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period; therefore St. Lucia is placed on Tier 2 Watch List. The government initiated one labor trafficking investigation in the reporting period, and reported four prosecutions and no convictions. The government has never convicted a trafficker. The government identified one new trafficking victim, and verified nine victims out of the 69 individuals who were initially identified as potential victims in the previous reporting period. The 10 identified victims received housing, medical care, and legal counsel. The government offered long-term housing to some of the 60 individuals who were initially identified as potential victims in the previous reporting period, but these individuals complained about the quality of care received. The government trained four officials on criminal justice and assistance to trafficking victims; 19 taskforce members, including NGOs, on formulation of a national action plan; and 10 police officers on victim-centered law enforcement efforts. The government drafted a national action plan and planned a prevention campaign, in coordination with an international NGO, but did not implement either.

International Sanctions

None Applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	55
World Governance Indicator – Control of Corruption	71

Corruption and Government Transparency - Report by US State Department

While corruption related to foreign business and investment is not generally believed to be a major problem in St. Lucia, there have been some widely publicized allegations against government officials.

St. Lucia has laws, regulations and penalties to combat corruption. Senior government officials in the new government assert they are taking anti-corruption efforts seriously. However, while the law provides criminal penalties for official corruption, enforcement is not always effective. Government agencies involved in enforcement of anti-corruption laws include the Royal St. Lucia Police Force, the Director of Public Prosecutions, and the Financial Intelligence Unit.

The country is a party to the Inter-American Convention against Corruption and acceded to the United Nations Convention against Corruption on 18 November 2011.

Section 3 - Economy

The island nation has been able to attract foreign business and investment, especially in its offshore banking and tourism industries. Tourism is Saint Lucia's main source of jobs and income - accounting for 65% of GDP - and the island's main source of foreign exchange earnings. The manufacturing sector is the most diverse in the Eastern Caribbean area. Crops such as bananas, mangos, and avocados continue to be grown for export, but St. Lucia's once solid banana industry has been devastated by strong competition.

Saint Lucia is vulnerable to a variety of external shocks, including volatile tourism receipts, natural disasters, and dependence on foreign oil. Furthermore, high public debt - 77% of GDP in 2012 - and high debt servicing obligations constrain the ANTHONY administration's ability to respond to adverse external shocks.

St. Lucia has experienced anaemic growth since the onset of the global financial crisis in 2008, largely because of a slowdown in tourism - airlines cut back on their routes to St. Lucia in 2012. Also, St. Lucia introduced a value added tax in 2012 of 15%, becoming the last country in the Eastern Caribbean to do so. In 2013, the government introduced a National Competitiveness and Productivity Council to address St. Lucia's high public wages and lack of productivity.

Agriculture - products:

bananas, coconuts, vegetables, citrus, root crops, cocoa

Industries:

tourism; clothing, assembly of electronic components, beverages, corrugated cardboard boxes, lime processing, coconut processing

Exports - commodities:

bananas 41%, clothing, cocoa, avocados, mangoes, coconut oil (2010 est.)

Exports - partners:

Dominican Republic 25.1%, US 15.9%, Suriname 9.1%, Antigua and Barbuda 7%, Dominica 6.8%, Trinidad and Tobago 6.3%, Barbados 6.1%, UK 4.8%, Grenada 4.6% (2015)

Imports - commodities:

food, manufactured goods, machinery and transportation equipment, chemicals, fuels

Imports - partners:

Brazil 34.9%, US 25.7%, Trinidad and Tobago 14.4%, Colombia 10.9% (2015)

Banking

All domestic banks are licensed pursuant to the Banking Act and are supervised by the Eastern Caribbean Central Bank (ECCB). The offshore banks are licensed pursuant to the

International Banking Act and are supervised by the Financial Sector Supervision Unit (FSSU), Ministry of Finance. In 2002, Saint Lucia decided to adopt an integrated approach to supervision by establishing a Single Regulatory Unit. This proposed structure would extend the supervision responsibilities of the FSSU to include credit unions. The domestic banks would still be supervised by the ECCB but a functional relationship with the FSSU would be established. Once fully implemented the FSSU would be responsible for supervising the entire financial sector

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.

Section 4 - Investment Climate

Executive Summary

Saint Lucia is a member of the Organization of Eastern Caribbean States (OECS), the Eastern Caribbean Currency Union (ECCU) and the Eastern Caribbean Central Bank (ECCB). Saint Lucia is seen as one of the more developed economies in the Eastern Caribbean with an estimated Gross Domestic Product (GDP) of USD \$1.13 billion. According to ECCB, Saint Lucia's economy is projected to grow by 2.35% in 2016. The island nation attracts foreign business and investment, especially in its offshore banking and tourism industries. Tourism is the main economic sector; accounting for about 20% of jobs in the workforce. Saint Lucia is ranked 77th in the World Bank's Doing Business Report for 2016.

- The Government of Saint Lucia strongly encourages foreign direct investment, particularly tourism and hotel development, information and communication technology (ICT), manufacturing, international financial services, agro business and creative industries.
- Companies registered in Saint Lucia have the right to repatriate all capital, royalties, dividends and profits free of all government taxes or any other charges on foreign exchange transactions. There are no exchange controls, capital gains and bank interest taxes in Saint Lucia and the invoicing of foreign trade transactions may be made in any currency.
- Saint Lucia is a member of to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction resolve private disputes.
- Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital.
- There are no laws mandating local ownership in specified sectors. There is one ongoing dispute regarding expropriation of an American-owned property.
- Saint Lucia has no bilateral investment treaty with the United States. Saint Lucia has a bilateral investment treaty with the United Kingdom and with Germany.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	Not ranked	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	77 of 189	doingbusiness.org/rankings
Global Innovation Index	2015	Not ranked	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country (\$M USD, stock positions)	2015	Not available	BEA/Host government

World Bank GNI per capita	2014	USD 7, 260	data.worldbank.org/indicator/NY.GNP.PCAP.CD
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1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Saint Lucia strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens. Invest Saint Lucia provides “one-stop shop” facilitation services to investors to guide them through the various stages of the investment process. Government concessions are granted by the applicable Government agency, not Invest Saint Lucia.

Government policies provide liberal tax holidays, waiver of import duty and consumption tax on imported plant machinery and equipment, imported raw and packaging materials, and export allowance or tax relief on export earnings. Fiscal incentives are provided under various laws to encourage the establishment and expansion of both foreign and domestic investment. Investment promotion services are also provided by Invest Saint Lucia.

Other Investment Policy Reviews

In 2014 the OECS, of which Saint Lucia is a member, conducted an investment policy review through the World Trade Organization. This report which speaks to the general investment climate in Saint Lucia can be found: https://www.wto.org/english/tratop_e/tpr_e/s299-00_e.pdf.

Laws/Regulations on Foreign Direct Investment

The main laws concerning foreign investment include the Fiscal Incentive Act, the Tourism Incentive Act and the Special Development Areas Act. Saint Lucia’s legal system is based on British common law; but its civil code and property law is greatly influenced by French Law. The judiciary is independent, and trials are generally fair. Foreign investors may hold up to 100% of an investment. Deregulation in the telecommunications industry facilitated access to the market of new competitors, whereas historically the industry was monopolized. There are currently two service providers: Flow (formerly Cable and Wireless) and Digicel.

All potential foreign investors must submit their proposals for review by Invest Saint Lucia to ensure that the project is consistent with the national interests and provides economic benefits to the country. Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital.

In Saint Lucia a value added tax (VAT) was enacted and replaced consumption tax, the environmental protection levy, the motor vehicle rental fee, mobile cellular telephone tax and hotel accommodation tax. More information can be found at <http://vat.gov.lc/index.php>.

Business Registration

The Registry of Companies and Intellectual Property office (ROCIP) is responsible for business and company registration in Saint Lucia. Their website offers information as well as an e-filing portal. More information regarding the services of the ROCIP can be found at: <http://www.rocip.gov.lc/stlucia/default.aspx>.

Invest Saint Lucia provides potential investors with information to help navigate the business approvals process. The Saint Lucian government encourages investment in all sectors but the key targeted sectors are: tourism, smart manufacturing, and infrastructure (hard and soft), Information and Communication Technologies (ICTs), alternative energy, education and offshore business, and knowledge processing operations. Additional sectors may be appraised on merit. Invest Saint Lucia has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors, found at: <http://www.investstlucia.com>.

It takes 11 days to register a business in Saint Lucia. The process is completed through five (5) procedures. An attorney-at-law is necessary to complete the incorporation process. Further information can be obtained from the Invest Saint Lucia website.

Under the Micro and Small Scale Business Enterprises Act Chapter 13:19 of the Revised Laws of Saint Lucia (MSE Act), a micro business is described as having a maximum of five (5) employees and annual revenue of no more than USD \$37, 038 (XCD \$100,000) and a small business is defined as having a maximum of 50 employees and an annual revenue of no more than USD \$370, 370 (XCD \$1,000,000). While foreign investors do not fall under the rubric of this Act, Invest Saint Lucia provides similar business facilitation services to potential small-scale foreign investors.

Industrial Promotion

Invest Saint Lucia is the investment promotion arm of the government with identified key industries such as tourism, ICTs and infrastructure (hard and soft) to attract investment into the country.

Limits on Foreign Control and Right to Private Ownership and Establishment

There is no general limit on the amount of foreign ownership or control in the establishment of a business in Saint Lucia.

Privatization Program

Saint Lucia currently does not have a targeted privatization program.

Screening of FDI

Invest Saint Lucia has the authority to offer guidance and direction to new and established investors who are interested in pursuing investment opportunities in Saint Lucia. The process is transparent and is contingent on the size of capital investment and the economic impact that it will have on the country. The incorporation and registration of a company must be done through an attorney registered and operating in Saint Lucia. A foreign investor seeking to start up a business in Saint Lucia must:

- Prepare the incorporation documents: An attorney prepares the articles of incorporation documents.
- Register with the Commercial Registry: When registering the company with the commercial registry, the attorney pays an administrative fee when presenting the documents for registration. The registry issues a certificate of incorporation and the registration process is finalized.
- Obtain a tax payer identification number: Obtain and complete a registration form with the Inland Revenue Department.
- Register as an employer with a social security institute: The competent authority is the National Insurance Corporation (NIC).

Citizenship by Investment

In January 2016, Saint Lucia introduced a Citizenship by Investment Program (CIP), which is a mechanism for generating the capital required for bridging the equity gap for investment projects in the foregoing sectors. Under the Citizenship by Investment Program, foreign individuals can obtain citizenship in accordance with the Citizenship by Investment Act 2015, which grants the right of citizenship (without voting rights) by investment. Applicants through the program are required to go through a due diligence process before citizenship can be granted. The minimum investment to qualify is a USD \$250,000 contribution to the National Economic Fund for a family application of four persons or a real estate purchase valued at USD \$300,000 or above. There are also provisions for enterprise investment in approved projects. More information on the CIP can be found at <https://www.cipsaintlucia.com/>.

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 Saint Lucia. The OECS agreed to establish a regional competition body to handle competition matters within its single market. The draft OECS bill was submitted to the Ministry of Legal Affairs for review.

2. Conversion and Transfer Policies

Foreign Exchange

Saint Lucia is a member of the ECCU and the ECCB. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the OECS, Saint Lucia has a foreign exchange system that is fully liberalized. The Eastern Caribbean Dollar is been 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 stable currency environment for trade and investment in Saint Lucia.

Remittance Policies

Companies registered in Saint Lucia have the right to repatriate all capital, royalties, dividends and profits free of all government taxes or any other charges on foreign exchange transactions. There are no exchange controls, capital gains or bank interest taxes in Saint Lucia 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. Saint Lucia is a member of the Caribbean Financial Action Task Force (CFATF). Saint Lucia 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

Under the Land Acquisition Act, the government may by a declaration initiate the acquisition of land required for a public purpose. A notice of acquisition must be served on the person from whom the land is acquired. Saint Lucia 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 United States (U.S.) investments, companies or landholdings. There are no laws forcing local ownership in specified sectors.

There is one disputed case of expropriation involving an American-owned property. An American citizen purchased 32 acres of land in St. Lucia in 1969. It was expropriated in 1985 by an act of law and he has sought redress since that time. In July 2014, the Cabinet of Ministers denied the claimant's application to rectify the land registry in his favor. However, in subsequent recognition of certain questions of fairness associated with the cabinet's review process, the Government of St. Lucia established a committee to further review this and other similar cases in an attempt to resolve the claim.

4. Dispute Settlement

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

Saint Lucia bases its legal system on the British common law system but its civil code and property law is greatly influenced by French Law. The constitution guarantees the independence of the judiciary. The judicial system consists of lower courts, called Magistrates' Courts, as well as a Family Court. The Eastern Caribbean Supreme Court (Saint Lucia) Act establishes the Supreme Court of Judicature, which consists of the High Court and the Eastern Caribbean Court of Appeal. The High Court hears criminal and civil matters and makes determinations on the interpretation of the Constitution. Appeals are made in the first instance to the Eastern Caribbean Supreme Court, an itinerant court that hears appeals from all Eastern Caribbean States. The Eastern Caribbean Supreme Court sits in the Saint Lucian capital of Castries. Final appeal is to the Judicial Committee of the Privy Council. All laws must conform to the provisions of the Constitution and are void to the extent of any inconsistency.

The police and court systems are efficient and unbiased in commercial matters, and the government operates in a generally transparent manner. The judicial system generally upholds the sanctity of contracts, although court proceedings can last years.

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

The United States and Saint Lucia 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

Saint Lucia has a bankruptcy framework that allows for certain actions by both the debtor and the creditor. The World Bank's Doing Business Report for 2016 addressed some limitations in resolving insolvency in Saint Lucia. Saint Lucia is ranked at 106th out of 189 countries in this particular area.

Investment Disputes

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

International Arbitration

The Eastern Caribbean Supreme Court is the domestic arbitration body within Saint Lucia and the local courts do recognize and enforce foreign arbitral awards. The Arbitration Act (2001) provides general and specific provisions on arbitration rules and procedures in Saint Lucia.

ICSID Convention and New York Convention

Saint Lucia is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States of October 14, 1966, but not 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 World Bank's Doing Business Report for 2016, Saint Lucia is ranked 67th out of 189 economies for enforcement of contracts. Dispute resolution generally took 635 days, however this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. In January 2016, Saint Lucia established a Commercial Court, which should augur well for the efficiency of contract enforcement and dispute resolution.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The Government of Saint Lucia has a wide framework of incentives for foreign investors. The Invest Saint Lucia Act No. 14 of 2014 addresses government policy to attract investment. The Trade License Act, Aliens Licensing Act, Development Incentives Act, Special Development Areas Act, Income Tax Act, Free Zones Act, Tourism Development Act, and Fiscal Incentives Act all impact foreign investment as well. Except for pork and chicken, there is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Companies purchasing chicken must purchase a minimum of 25% locally-produced chicken, and companies purchasing pork must purchase a minimum of 40% locally-produced pork.

The Fiscal Incentives Act No. 15 of 1974 allows for fiscal incentives to enterprises to facilitate local and foreign investment in productive sectors of the economy. Special consideration is given to export-oriented manufacturing enterprises. If a company seeks fiscal incentives, depending upon the sector, an application is filed with the Ministry of Commerce, Business Development, Investment and Consumer Affairs, with a copy to the Invest Saint Lucia office. In response, the investor receives a clear answer based on the review of the application. The purpose of the approval process for fiscal incentives is to ensure consistency with national interest policies, legal requirements, and net economic benefit. Criteria for fiscal incentives qualification are: the enterprise must be incorporated and registered in Saint Lucia; the enterprise must contribute to the economic development of Saint Lucia; the country's human and natural resources must be utilized; the enterprise must train local personnel and upgrade its plant through technological transfer; the enterprise must form linkages with other economic sectors; and the enterprise must contribute to earnings in foreign exchange.

The Fiscal Incentives Act provides a list of incentives including a tax holiday of up to 15 years for approved projects; a waiver of import duty and consumption tax on imported machinery and plant equipment; a waiver of import duty and consumption tax on imported raw and packaging materials and an export allowance on export earnings. 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 Saint Lucia. 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

The standard corporate income tax rate is 30%. An International Business Company (IBC) may elect to be exempted from paying income tax or to be liable to income tax on the chargeable income of the company at the rate of 1%. An IBC is not subject to stamp duties,

withholding tax or capital gains tax. Saint Lucia provides companies with a further tax concession effective at the end of the tax holiday period. Full exemption from import duties on parts, raw materials, and production machinery is also available.

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 may require a license prior to the execution of the transactions, depending upon the amount of land in question.

The Special Development Areas Act seeks to encourage investment in designated areas throughout the island. Special development areas are Vieux-Fort, Anse la Raye, Soufriere, Canaries and Dennery. Special concessions offered under this law include: exemption on import duty, stamp duty and consumption tax on inputs for the construction of new buildings and the renovation or refurbishment of existing buildings; land and house tax; stamp duty payable by vendors and purchasers on the initial purchase of property; higher tax allowances; and accelerated depreciation. Types of businesses that may qualify for these concessions are: residential complexes; commercial or industrial buildings; facilities directed towards the improvement or expansion of services to the tourism sector; water-based activities; tourism projects highlighting the heritage and natural environment of St. Lucia; arts and cultural investments; agricultural based activities; and fisheries based activities.

The Tourism Incentives Act provides for earnings to be exempt from income tax, as a tourism project managed by or on behalf of a company is entitled to distribute profits to shareholders or debenture holders as capital monies free of tax during the two year period following the end of the tax holiday. The Act also allows for customs duty exemptions, and permits the importation into St. Lucia free of customs duty and consumption tax of materials and equipment used exclusively in connection with the construction and equipping of the tourism project.

The Free Zone Act is designed to promote export development and foreign investment projects in a 'bureaucracy-free, duty-free, and tax-free" environment for prescribed activities. Incentives include: exemption for customs duties, taxes and related charges on all classes of goods entering the Free zone for commercial or operating purposes; no restrictions or taxes on foreign exchange transactions; no taxes on dividends for the first 20 years of operation; no work permit fees for management personnel of Free zone businesses; no import or export licenses and no price control; and no company income tax for the first five years, and thereafter a very limited tax range.

Investment Incentives

The government of Saint Lucia does not mandate local employment. However, foreign investors are expected to add value to the local economy, which can be achieved through employment and this is also taken into consideration if the company wishes to benefit from the local incentive regime. All non-CARICOM individuals and companies intending to conduct business in Saint Lucia and own more than 49% of the company's shares are required to obtain a Trade License. The Ministry of Commerce, Business Development, Investment and Consumer Affairs issues Trade Licenses. Under the Foreign National and Commonwealth Citizens (Employment) Regulation, anyone outside of the Organization of

Eastern Caribbean States (OECS) wanting to conduct business or be gainfully employed in Saint Lucia must apply for a work permit. Applications can be obtained from the Labor Department of the Ministry of Education, Human Resource Development and Labor.

Research and Development

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

Performance Requirements

Foreign investment in Saint Lucia is not subject to any restrictions, and foreign investors are entitled to receive the same treatment as nationals of Saint Lucia. The only restriction is the requirement to obtain an Alien Landholding License for foreign investors seeking to purchase property for residential or commercial purposes.

No industries are officially closed to private enterprise, although some activities, such as telecommunications, utilities, broadcasting, banking, and insurance, require a license from the government. There is no percentage, or other restrictions, on foreign ownership of a local enterprise or participation in a joint venture.

Data Storage

There are no requirements for foreign IT providers to turn over source code and/or provide access to surveillance (e.g. 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. This license is obtained through the Ministry of Physical Development and must be lodged by a local solicitor. Saint Lucia is currently ranked 132nd on the ease of registering property in the World Bank's Doing Business report 2016.

Intellectual Property Rights

Saint Lucia has a wide legislative framework regarding its commitment to the protection of intellectual property rights. While these legal structures governing intellectual property could be considered as strong, enforcement has been viewed as generally weak. The administration of intellectual property laws in Saint Lucia are under the responsibility of the Attorney General. The registration of patents, trademarks, and service marks is administered by the Registry of Companies and Intellectual Property office.

Saint Lucia is signatory to the Washington Treaty on Intellectual Property in Respect of Integrated Circuits; the WIPO Performances and Phonograms Treaty; WIPO Copyright Treaty;

the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks; the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms; the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks; the Patent Cooperation Treaty; the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations; the Paris Convention for the Protection of Industrial Property; the Berne Convention for the Protection of Literary and Artistic Works and Convention Establishing the World Intellectual Property Organization.

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 (IP) 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 IP in any trade agreement to which Saint Lucia is a party. The EPA gives recognition to the protection and enforcement of intellectual property. Article 139 of the EPA requires parties to “ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties and of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS).”

The Comptroller of Customs of the Government of Saint Lucia 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

Contact at Mission: 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

Country/Economy Resources

American Chamber of Commerce for Barbados and the Eastern Caribbean

Name: Dustin Delany

Title: Chairman and President

Telephone: (246) 228-2260

Email: dd@amchambec.com

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

7. Transparency of the Regulatory System

Saint Lucia 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.

Saint Lucia's international financial services sector is governed through the International Business Companies (IBC) Act (2000). The Financial Sector Supervision Unit has oversight over the sector through the Insurance Act and the International Financial Services Legislation. Saint Lucia's Financial Services industry is generally regarded as transparent.

The Saint Lucia Bureau of Standards is a statutory body established under the Standards Act No. 14 of 1990. 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.

Saint Lucia is working to improve customs efficiency, modernize customs operations, and address inefficiencies in the clearance of goods.

8. Efficient Capital Markets and Portfolio Investment

As a member of the OECS, Saint Lucia is a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market. The ECSE is a regional securities market established by the ECCB 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. Saint Lucia is a member of this stock exchange, and is open to portfolio investment.

Money and Banking System, Hostile Takeovers

Saint Lucia's monetary and exchange rate policies are determined by the ECCB. The ECCB regulates domestic banks. Exchange controls restrictions on capital and non-trade current transactions have been suspended under the Exchange Control Act. According to the most recent data available from the government, assets of commercial banks totaled USD \$2.13 billion in January 2016 and remained relatively consistent throughout the previous year. The reserve requirement for commercial banks is 6% of deposit liabilities.

9. Competition from State-Owned Enterprises

There are a very limited number of statutory corporations (state-owned enterprises) in Saint Lucia. Statutory corporations or state-owned enterprises in Saint Lucia include the National Insurance Corporation and the Water and Sewage Company Inc. 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

As a member of the OECS, Saint Lucia is a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market. The ECSE is a regional securities market established by the ECCB and it facilitates the buying and selling of financial products for the eight member territories.

Sovereign Wealth Funds

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

10. Responsible Business Conduct

In Saint Lucia, 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 NGO community, while comparatively small, is involved in fundraising and volunteerism in gender, health, environmental and community projects. The government at times partners with non-governmental organizations (NGO) in activities. The government encourages philanthropy.

11. Political Violence

Saint Lucia does not have a history of political violence.

12. Corruption

While corruption related to foreign business and investment is not generally believed to be a major problem in Saint Lucia, there were some widely publicized allegations against government officials. Access to information is legally guaranteed, and government officials are required by law to present their financial assets annually to the Integrity Commission.

Saint Lucia has laws, regulations, and penalties to combat corruption; notably the Integrity in Public Life Act of 2004. However, while the law provides criminal penalties for official corruption, enforcement is not always effective. Government agencies involved in enforcement of anti-corruption laws include the Royal Saint Lucia Police Force, the Director of Public Prosecutions, the Integrity Commission and the Financial Intelligence Unit.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

The country is a party to the Inter-American Convention against Corruption and acceded to the United Nations Convention against Corruption on 18 November 2011.

Resources to Report Corruption

-ORGANIZATION: Integrity Commission

-ADDRESS: First Floor, Sir Stanislaus James Building, Waterfront, Castries

13. Bilateral Investment Agreements

Bilateral Taxation Treaties

Saint Lucia has no bilateral investment treaty with the United States. Saint Lucia does have a bilateral investment treaty with the United Kingdom and with Germany.

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 St. Lucia 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 (OECS)

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

Economic Partnership Agreement (EPA)

The Economic Partnership Agreement (EPA) was concluded between the CARIFORUM States and the European Community and its Member States in 2008. The EPA replaced the now expired transitional trade regime of the Cotonou Agreement. The overarching objectives of the EPA are to alleviate poverty in CARIFORUM, to promote regional integration and economic cooperation and to foster the gradual integration of the CARIFORUM states into the world economy by improving 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 (CBI) 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 St. Lucia into U.S. markets.

Caribbean/Canada Trade Agreement (CARIBCAN)

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

14. Foreign Trade Zones/Free Ports/Trade Facilitation

Saint Lucia has a Free zone created by law; it is an enclosed area treated for customs purposes as lying outside the customs territory of the island. Goods of foreign origin may be

held pending eventual trans-shipment, re-exportation and, in some cases, importation into the local market, without payment of customs duties.

15. Foreign Direct Investment and Foreign Portfolio Investment Statistics

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

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$1,137	2014	\$1,404	http://data.worldbank.org/country/st-lucia
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	\$24	2014	Not available	
Host country's FDI in the United States (\$M USD, stock positions)	2014	Not available	2014	Not available	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2014	Not available	2014	Not available	.Not available

* Eastern Caribbean Central Bank Statistics:

<http://www.eccbcentralbank.org/Statistics/index.asp>

Table 3: Sources and Destination of FDI

Saint Lucia does not appear in the IMF's Coordinated Direct Investment.

Table 4: Sources of Portfolio Investment

The Federation of Saint Kitts and Nevis does not appear in the IMF's Coordinated Portfolio Investment Survey for Sources of Portfolio Investment.

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:

English common law

International organization participation:

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

Section 6 - Tax






Exchange control

There are no exchange controls in St. Lucia.

Treaty and non-treaty withholding tax rates

Saint Lucia 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	
Aruba	TIEA	10 May 2010	1 Jan 2012	Yes	Yes	
Australia	TIEA	30 Mar 2010	1 Jul 2010	Yes	Yes	
Barbados	DTC	6 Jul 1994	30 Nov 1994	No	No	
Belgium	TIEA	7 Dec 2009	not yet in force	Yes	Yes	
Belize	DTC	6 Jul 1994	30 Nov 1994	Yes	No	
Canada	TIEA	18 Jun 2010	20 Jul 2012	Yes	Yes	
Curaçao	TIEA	29 Oct 2009	not yet in force	Yes	Yes	
Denmark	TIEA	12 Oct 2009	8 Oct 2011	Yes	Yes	
Dominica	DTC	6 Jul 1994	30 Nov 1994	No	No	
Faroe Islands	TIEA	19 May 2010	not yet in force	Unreviewed	Yes	
Finland	TIEA	19 May 2010	17 Mar 2011	Yes	Yes	
France	TIEA	1 Apr 2009	20 Jan 2011	Yes	Yes	
Germany	TIEA	7 Jun 2010	28 Feb 2013	Yes	Yes	
Greenland	TIEA	19 May 2010	not yet in force	Unreviewed	Yes	
Grenada	DTC	6 Jul 1994	30 Nov 1994	No	No	
Guyana	DTC	6 Jul 1994	30 Nov 1994	Unreviewed	No	
Iceland	TIEA	19 May 2010	2 Nov 2012	Yes	Yes	
Ireland	TIEA	22 Dec 2009	17 Feb 2011	Yes	Yes	
Jamaica	DTC	6 Jul 1994	30 Nov 1994	No	No	
Netherlands	TIEA	12 Feb 2009	31 Mar 2011	Yes	Yes	
Norway	TIEA	19 May 2010	1 Dec 2011	Yes	Yes	
Portugal	TIEA	14 Jul 2010	28 Oct 2011	Yes	Yes	
Saint Kitts and Nevis	DTC	6 Jul 1994	30 Nov 1994	No	No	
Saint Vincent and the Grenadines	DTC	6 Jul 1994	30 Nov 1994	Yes	No	
Sint Maarten	TIEA	29 Oct 2009	not yet in force	Yes	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Sweden	TIEA	19 May 2010	1 Aug 2013	Yes	Yes	
Switzerland	DTC	26 Aug 1963	1 Jan 1961	No	No	
Trinidad and Tobago	DTC	6 Jul 1994	30 Nov 1994	No	No	
United Kingdom	TIEA	18 Jan 2010	19 May 2011	Yes	Yes	
United States	TIEA	30 Jan 1987	not yet in force	Yes	No	

Methodology and Sources

Section 1 - General Background Report and Map

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

Section 2 - Anti – Money Laundering / Terrorist Financing

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

Section 3 - Economy

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

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

Section 4 - Foreign Investment

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

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

Section 5 - Government

Names of Government Ministers and general information on political matters.

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

Section 6 - Tax

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

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

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