Belgium

RISK & COMPLIANCE REPORT

DATE: January 2017

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Executive Summary	
Sanctions:	None
FAFT list of AML Deficient Countries	No
Medium Risk Areas:	US Dept of State Money Laundering

Major Investment Areas:

Agriculture - products:

sugar beets, fresh vegetables, fruits, grain, tobacco; beef, veal, pork, milk

Industries:

engineering and metal products, motor vehicle assembly, transportation equipment, scientific instruments, processed food and beverages, chemicals, basic metals, textiles, glass, petroleum

Exports - commodities:

machinery and equipment, chemicals, finished diamonds, metals and metal products, foodstuffs

Exports - partners:

Germany 18%, France 16.1%, Netherlands 13%, UK 7.3%, US 5.3%, Italy 4.4% (2012)

Imports - commodities:

raw materials, machinery and equipment, chemicals, raw diamonds, pharmaceuticals, foodstuffs, transportation equipment, oil products

Imports - partners:

Netherlands 20.9%, Germany 14.2%, France 10.6%, US 6.1%, UK 5.5%, Ireland 4.4% (2012)

Investment Restrictions:

Both domestic and foreign private entities have the right to establish business enterprises. This right is well established in Belgium's constitution and in law. The right to acquire or sell interests in business enterprises is similarly protected by law.

No restrictions in Belgium apply specifically to foreign investors. Foreign interests may enter into joint ventures and partnerships on the same basis as domestic parties, except for certain professions, such as doctors, lawyers, accountants and architects. Additional verification (to confirm equivalence of education and training) exist in these professions because they are subject to liability claims. All investors, Belgian or foreign, must obtain special permission to open department stores, provide transportation and security services, cut and polish diamonds, or sell firearms and ammunition. Food safety regulations require all organizations in Belgium involved in food production (packaging, wholesale, and retail) to obtain a permit from the Belgian Federal Food Administration.

Contents

Section 1 - Background

Belgium became independent from the Netherlands in 1830; it was occupied by Germany during World Wars I and II. The country prospered in the past half century as a modern, technologically advanced European state and member of NATO and the EU. Tensions between the Dutch-speaking Flemings of the north and the French-speaking Walloons of the south have led in recent years to constitutional amendments granting these regions formal recognition and autonomy. Its capital, Brussels, is home to numerous international organizations including the EU and NATO.

Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Belgium 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 Belgium was undertaken by the Financial Action Task Force (FATF) in 2015. According to that Evaluation, Belgium was deemed Compliant for 11 and Largely Compliant for 18 of the FATF 40 Recommendations.

Money Laundering/Terrorism Financing Risks (FATF Mutual Evaluation Report)

With regard to ML, Belgium is considered a transit country for illegal funds. The main ML activities are layering (notably internet fraud cases), then integration and placement. Laundered funds in terms of the number of cases transmitted by the CTIF to the prosecution authorities between 2008 and 2012 were mainly related to fraud (in particular through the internet), offences related to bankruptcy fraud and misappropriation of corporate assets. In terms of the amounts laundered, the main predicate offences include tax fraud, organised crime (often linked to illicit trafficking of narcotics or property), fraud and illicit trafficking of property and merchandise. There is also a regular increase in STRs relating to economic and financial crime (e.g. offences relating to bankruptcy fraud, misappropriation of corporate assets, illegal labour trading and tax fraud).

While the banking sector continues to be the focus of the largest detected ML transactions, criminals are increasingly turning to new sectors, such as the precious metals market. Use of cash is a major vector for ML in Belgium, fuelling the underground economy (estimated at 16.8% of the GDP2).

Activities that typically handle large sums of cash are particularly vulnerable (e.g. used car sales, antique and art dealers, night shops). The fund transfer sector also faces risks in this context. High risks were also identified in certain transactions involving gold and precious metals (copper, platinum, zinc), partly due to the associated use of cash. Due to its central position in Europe, Antwerp's position as a major port, and its status as a transit country, Belgium is also exposed to illegal cross-border movements of funds. Given Antwerp's position as the centre of the world diamond trade,3 the value and transportability of diamonds, and the volumes traded, the diamond sector also represents a significant risk.

Misuse of legal persons, particularly for tax fraud and benefit fraud, is another area exposed to risk. The risk is aggravated by the fact that legal and tax consultation services for pre-establishment and company matters are provided by persons who are not subject to any

AML/CFT obligations. The possible involvement of certain legal and financial professionals, a risk pointed out in the national ML risk assessment, is also of concern.

There is also a risk of TF with the presence of certain groups in Belgium. The presence of these groups from countries where there are ongoing wars, national independence movements and terrorist phenomena creates a location for recruitment or fund raising that is tapped to finance terrorist organisations, mainly for operations abroad. The risks in terms of TF seem to involve not only structural terrorist financing, but also simple operations on an individual scale, such as the activities of jihadists who have gone to countries in the Near and Middle East. Recent events in these regions and the continuing phenomenon of radicalisation in certain segments of the population create undeniable risk. The fund transfer sector is particularly vulnerable to these threats.

Read Full Report

US Department of State Money Laundering assessment (INCSR)

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

Key Findings from the report are as follows: -

Perceived Risks:

Despite Belgium's physically small size, its location in the center of Europe and considerable port facilities have facilitated the development of a strong and internationally integrated banking industry with assets of $ 1.27 trillion as of 2014. Belgium's port of Antwerp is the second busiest port in Europe by gross tonnage and, together with the nearby larger port of Rotterdam in the Netherlands, handles the bulk of European maritime trade. A sophisticated national transportation network and historical role as a hub for airline traffic to Africa also aids Belgium's central role in Europe.

According to the Financial Information Processing Unit (CTIF), Belgium's financial intelligence unit, most of the criminal proceeds laundered in Belgium are derived from foreign criminal activity. Bulk cash smugglers, the principal money laundering concern per law enforcement, use the country's convenient location and modern transportation links to move illicit drug proceeds from throughout Europe out of the region. Difficulties in monitoring movements in the sprawling port of Antwerp, an abundance of under-regulated small airports, and limited investigations into passengers repeatedly declaring more than 10,000 euros (approximately $10,925) at the main airport of Zaventem facilitates the movement of cash. For the most part the bulk cash only transits Belgium, due to strong banking controls that make introducing the funds into the formal banking system difficult.

Illicit funds, however, do enter the banking system. The CTIF estimates the total amount of illicit funds in circulation in 2014 was about $1.68 billion. Illicit funds derived from tax fraud appear to be the main component of that amount. In addition, the approximately 600,000 used cars that transit Belgium annually remain vulnerable to bulk cash smuggling and trade-based money laundering (TBML) by incorrectly valuing the vehicle during international shipment in order to launder funds and transfer value. Trade in gold has diminished due to money laundering regulations implemented in 2013 that limit cash transactions for gold to under 3,000 euros ($3,280), and also due to lower gold prices.

Belgium's colonial ties with Africa have helped position the country as a leader in the diamond trade; approximately 80 percent of the world's rough diamonds and 50 percent of polished diamonds pass through Belgium. Antwerp is the largest of the six major diamond hubs in the world with $58.8 billion in diamond sales in 2014. Officials note that the high value and easy transport of diamonds makes them highly vulnerable to money laundering through both illicit sales and as a means of storing and transmitting value; diamonds are also ideal for TBML. The implementation of AML measures by diamond dealers has been negligible, and official supervision of these players is limited.

The total number of licensed casinos is limited to nine. There continues to be steady growth in internet gaming.

According to the 2014 CTIF annual report, contraband smuggling represents 13.7 percent of all tracked cases, while terrorism financing represents only 0.87 percent. However, Belgium's challenges with sourcing fighters that volunteer to serve in Middle East terrorist groups, and localized neighborhoods with high concentrations of returning fighters, may increase the vulnerability of its money transfer services to terrorist financing.

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: NO
KYC covered entities: Domestic and offshore banks; venture risk capital; money brokers, exchanges, and transmission services; moneylenders and pawnshops; insurance entities; real estate agents; credit unions; building societies; trust and safekeeping services; casinos; motor vehicle dealers; jewelers; international financial service providers; public notaries; attorneys; accountants and auditors

REPORTING REQUIREMENTS:
Number of STRs received and time frame: 27,767 in 2014
Number of CTRs received and time frame: 6,978 in 2014
STR covered entities: Banks, money remitting agencies, credit bureaus, Belgian post office, notaries, casinos, life insurance companies, accountants, real estate agents, National Bank of Belgium, private security firms, lawyers, diamond merchants, auditors, tax advisors, and surveyors

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:
Prosecutions: Not available

Convictions: Not available

RECORDS EXCHANGE MECHANISM:
With U.S.: MLAT: YES Other mechanism: YES
With other governments/jurisdictions: YES

Belgium is a member of the FATF.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

Belgium's legislation does not cover politically exposed persons (PEPs) in line with international standards. The definition of PEP includes neither domestic PEPs nor those who perform prominent functions within international organizations. Additionally, the law includes a limited list of persons considered as family members or close associates. Belgium is currently developing implementing legislation for the EU's new AML directive, which addresses enhanced due diligence for domestic PEPs.

The port of Antwerp's large size and difficulty in effectively analyzing the contents of 8.6 million container-equivalent units that move through the port each year help facilitate the movement of illicit funds and the transfer of illicit value. More strict control over the ability of cargo handlers to access and transport merchandise could discourage the transport of bulk cash and other illicit shipments.

The number of suspicious transaction reports (STRs) from diamond dealers remains low but has started to increase: in 2014 the CTIF received only one STR from an estimated 1,800 diamond traders, while it has received 20 reports through November 2015. The opaque and closed nature of the Antwerp diamond industry remains an obstacle to money laundering investigations. The number of diamond-related investigations and prosecutions is insufficient given the identified level of risk, even though two significant cases are currently under investigation. The March 2015 arrest of the Belgian Federal Police's diamond police commissioner on money laundering charges may point to at least some measure of official corruption in the sector.

Resources, both human and IT, should be allocated to the services responsible for countering terrorism and its financing, to enable a more proactive approach. Specifically, better understanding and implementation of AML/CFT measures is needed by money value transfer service providers, particularly those operating via a network of agents in Belgium, and certain money exchanges, due to the use of cash for their transactions. Officials should consider closer monitoring of certain nonprofit organizations, and using targeted financial sanctions to prevent terrorists and terrorist organizations from financing their activities.

Belgium should increase its supervision of the diamond industry, considering its size and vulnerability to money laundering and terrorist financing activity. Efforts to promote more STRs from diamond dealers should be encouraged and official corruption, particularly related to the now disbanded diamond police squad, should be thoroughly investigated and rooted out. Authorities should also prioritize the detection of cases of illegal diamond trafficking and large- scale tax fraud involving diamond dealers. The government should consider increasing efforts to monitor activity at the port and to share targeted trade data with its trading partners in an effort to spot trade anomalies that could be indicative of trade fraud, TBML, or underground finance. In addition, the Belgian Customs and Excise administration should consider pursuing more investigations involving people repeatedly declaring over 10,000 euros (approximately $10,925) at Zaventem. Belgian law enforcement also should improve its ability to coordinate with units in neighboring countries and pursue investigations across national boundaries.

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

According to the US State Department, Belgium conforms with regard to the all government legislation required to combat money laundering.

EU White list of Equivalent Jurisdictions

Belgium is 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

Belgium is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2011 (introduction):

With a major world port at Antwerp, an airport with connections throughout Africa, and its proximity to major consumers in the United Kingdom (U.K.) and The Netherlands, Belgium has become a crucial transit point for a variety of illegal drugs, especially cocaine and heroin. Belgium is not a major market for illicit drugs. Methods of shipment vary, but most drugs seized have been found in cargo freight, or taken from couriers using air transportation.

Belgian authorities take a proactive approach to interdicting drug shipments and cooperate with the U.S. and other foreign countries to help uncover distribution rings. However, fighting the drug trafficking problem in Belgium can be difficult due to the large ethnic population centres, language, and cultural differences and the cross-border nature of trafficking. Belgium is a party to the 1988 UN Drug Convention, and is a member of the Dublin Group of countries concerned with combating narcotics trafficking.

US State Dept Trafficking in Persons Report 2014 (introduction):

Belgium is a country whose government fully complies with the Trafficking Victims Protection Act’s (TVPA) minimum standards.

Belgium is a destination, transit, and a limited source country for men, women, and children subjected to forced labor and sex trafficking. Foreign victims primarily originate in Eastern Europe, Africa, South Asia, East Asia, and Latin America. Prominent source countries include Bulgaria, Romania, Albania, Nigeria, Morocco, China, Turkey, Brazil, and India. Male victims are subjected to forced labor in restaurants, bars, sweatshops, horticulture sites, fruit farms, construction sites, cleaning businesses, and retail shops. Belgian girls, who are recruited by local pimps, and foreign children—including ethnic Roma—are subjected to sex trafficking within the country. Some Belgian women have been subjected to sex trafficking in Luxembourg. Forced begging within the Roma community in Belgium also occurs. Foreign workers continued to be subjected to forced domestic service, including in the diplomatic community assigned to Belgium.

The Government of Belgium fully complies with the minimum standards for the elimination of trafficking. Prosecutions and convictions increased from the previous reporting period, but sentences often were suspended. The government amended the law to allow judges to multiply fines by the number of victims. The Belgian definition of trafficking remained overly broad in comparison to the definition in the 2000 UN TIP Protocol and did not require demonstration of coercive means to prove a case of human trafficking, which risks diluting the effectiveness of Belgian prosecutions. Council of Europe experts expressed concern about Belgium’s identification and protection of child victims, particularly children in forced begging.

US State Dept Terrorism Report 2015

Overview: Belgium's counterterrorism apparatus was overseen by the Ministries of Interior and Justice. Belgian officials continued to investigate, arrest, and prosecute terrorism suspects and worked closely with U.S. authorities on counterterrorism matters. The Belgian government formed a task force in 2015 focused on countering radicalization and developed a national strategy to address the issue. Major terrorist attacks in Brussels in March 2016 have further galvanized the Belgian government's efforts to address counterterrorism shortfalls.

The coalition government, which assumed power in 2014, announced a number of new measures aimed at disrupting the significant number of Belgian foreign terrorist fighters who have traveled to Iraq and Syria. These include strengthening and enforcing legislation that would prohibit traveling abroad to participate in armed groups, and stripping naturalized dual nationals of their Belgian citizenship if they are convicted of violating these or other terrorism laws. Belgian officials announced they intend to more strictly enforce regulations revoking or prohibiting the issuance of passports to suspected foreign terrorist fighters to prohibit travel. Countering violent extremism (CVE) remained a high priority for the Belgian government, at both the national and sub-national levels. Following the January 2015 police raids in Verviers and the participation of several Belgian citizens in the November 13 attacks in Paris, the government established two plans to help combat violent extremism: a 12-point action plan in January and an 18-point action plan in November.

Belgium is an active Global Coalition to Counter the Islamic State of Iraq and the Levant (ISIL) partner, contributing six F-16 aircraft and 120 support personnel to the Counter ISIL campaign in Iraq. Belgium also contributed approximately 30 military trainers near Baghdad Airport. In 2015, Belgium allocated US $56 million in humanitarian support for Iraq and Syria.

As one of the leading countries of origin for foreign terrorist fighters in Europe, Belgium has focused efforts on identifying, disrupting, and decreasing the flow of foreign terrorist fighters. According to the Minister of Interior, 272 individuals have left to fight with ISIL, 80 of those are presumed dead, and 134 have returned to Belgium.

Legislation, Law Enforcement, and Border Security: In January 2015, the Belgian federal government announced a 12-item action plan against terrorism. On June 29, the government released a report about the full implementation of the first tranche of the plan which included the creation of a new National Security Council chaired by the Prime Minister, the domestic deployment of the army when the threat level is raised, and the development of better de-radicalization programs in prisons. An additional five points were addressed by legislation passed by the federal parliament in July to strengthen the existing legal framework against foreign fighters. The legislation expanded the list of offenses that can be considered terrorism, made traveling abroad for terrorist purposes a crime, and expanded the ability of security services to use wiretaps to collect information. The new laws also allow the government to temporarily withdraw the identity cards or seize the passports of potential foreign terrorist fighters seeking to travel to Syria or Iraq and to revoke the citizenship of naturalized Belgian citizens convicted of terrorist offenses. The government is in the process of finalizing the remaining four points, which include mechanisms to identify providers of terrorism financing; improving information exchange between security, police and judicial authorities; revision of the Foreign Fighters Circular (concerns information management and monitoring measures for foreign terrorist fighters resident in Belgium); and revision of Belgium's counter-radicalization strategy.

The government has been working to implement the necessary legislative changes to complete these measures. After the November 13 Paris attacks, the federal government announced an additional set of 18 preventive and counterterrorism measures. Promising additional funds to counterterrorism efforts, and creating a new ad-hoc parliamentary committee, the Belgian government renewed its commitment to European counter-radicalization efforts. This new counterterrorism strategy rests on four pillars: addressing hate speech, minimizing the threat of potentially dangerous individuals, augmenting security services, and encouraging international action. Measures that did not require legislative changes (the reinforcement of police controls at the borders, the deployment of additional troops to reinforce security) were implemented in 2015. The government continued its ongoing efforts to eliminate hate speech, targeting websites that incite hate, expelling hate preachers, and closing unsanctioned radical mosques.

The primary actors in Belgian law enforcement are the Belgian Federal Police and its multiple counterterrorism units, the Civilian and Military Intelligence Services, Office of the Federal Prosecutor, and the Crisis Unit. The inter-ministerial Coordination Unit for Threat Analysis plays a coordinating role, particularly with regard to the foreign terrorist fighter issue. As noted previously, the National Security Council now plays a significant role in the intelligence and security structure.

In 2015, Belgium worked closely with other Schengen zone states and Turkey to improve efforts to share information and interdict prospective foreign fighters traveling to Syria, including increasing border checks aimed at disrupting and decreasing the flow of foreign terrorist fighters. All new Belgian passports now contain biometric data. Belgian officials remain concerned that Brussels Airport is used by French, Dutch, and German foreign terrorist fighters to conceal their travel. Belgium has advocated for more systematic screening by partners at Schengen borders.

Following the Paris attacks, the Minister of Interior strengthened the controls at the French border. He also announced the installation of additional Automatic Number Plate Recognition (ANPR) cameras throughout Belgium. In August, commenting on the failed attack on a Thalys train from Amsterdam to Paris, Prime Minister Michel claimed that, *"we will have to, more and more, seek a new balance between freedom of movement and rights to privacy, but at the same time it will be necessary to accept some constraints."*

Belgian law enforcement and justice authorities have arrested and prosecuted numerous individuals suspected of recruiting fighters to go to Syria and Iraq. On November 19, media reported that federal prosecutors launched 275 terrorist cases in 2015; there were 84 such cases in 2011.

On November 9, prosecutors opened a new terrorism case in the Brussels Court against 15 suspects accused of inciting youth to go fight in Syria. The defendants in the case include Jean-Louis Denis, aka "the submissive," Mohamed Khemir, Mickael Devredt, and Khalid Zerkani.

On February 11, the Antwerp Court handed down a ruling in the largest counterterrorism court case in Belgian history; the case involved 46 suspects, including 45 members of the now-disbanded extremist Salafist organization Sharia4Belgium. The Court ruled that Sharia4Belgium was indeed a terrorist organization that played an active role in the recruitment of would-be terrorists to fight in Syria and Iraq. Former leader Fouad Belkacem, also known as Abu Imran, was sentenced to 12 years in prison, while other leaders in the organization received 15-year sentences. Of the 46 suspects, only eight were present in the court; the remaining were reportedly missing, in Syria, or dead, and were convicted *in absentia*, including Abdelhamid Abaaoud, who was the ringleader of the November 13 Paris attacks. The 45 Sharia4Belgium members were all found guilty of membership in a terrorist organization and of playing an active role in its terrorist activities; they received sentences ranging from three to 15 years.

Countering the Financing of Terrorism: Belgium is a member of the Financial Action Task Force (FATF). Belgium's financial intelligence unit, the Cellule de Traitement des Informations Financieres (CTIF), is tasked with tracking and investigating reports of financial crimes, including money laundering and terrorism financing, and has broad authorities under Belgian legislation to conduct inquiries and refer criminal cases to federal prosecutors. The unit is a member of the Egmont Group. According to the latest 2015 CTIF annual report (which covers 2014), of the 1,131 financial crimes cases that CTIF referred to prosecutors, 37 (3.27 percent) were connected to possible terrorist and/or proliferation financing, a slight increase from the previous year (2.14 percent). For further information on money laundering and financial crimes, see the *2016 International Narcotics Control Strategy Report (INCSR), Volume II, Money Laundering and Financial Crimes*: http://www.state.gov/j/inl/rls/nrcrpt/index.htm.

Countering Violent Extremism: In 2015, both the Ministry of the Interior and the Coordination Unit for Threat Analysis (OCAM) continued their implementation of new CVE strategies to address the foreign terrorist fighter problem. The number of foreign terrorist fighters leaving Belgium decreased in 2015, but the government remained concerned about and engaged on this issue.

In addition to its ongoing CVE programs, the federal government identified 10 pilot cities facing particular radicalization threats, and funded specific countering violent extremism initiatives. Four of those cities are located in the Brussels Capital Region (Anderlecht, the City of Brussels, Molenbeek, and Schaerbeek), four in Flanders (Antwerp, Maaseik, Mechelen, Vilvoorde), and two in Wallonia (Liege, Verviers). The government originally allocated US $435,000 (later increased to US $ 650,000), to fund these counter-radicalization programs. In November, the government added a one-time US $1,089,055 grant to share between these 10 cities to strengthen their CVE efforts. Also in November, the federal government granted US $462,850 to be spread amongst five cities to fund local CVE efforts; the five cities are Charleroi, Genk, Kortrijk, Menen, and Saint-Gilles (Brussels region). In 2014, the Belgian government also supported a city pair project between Vilvoorde and Columbus, Ohio that is designed to facilitate positive community engagement between the government, the police force, and the Muslim community.

Among the components of the government's strategy on preventing radicalization is an effort to counter extremist messaging on the internet. The Ministry of Interior is working to increase cooperation with the internet industry in Belgium, working with the big five providers to suppress violent extremist content. The government reiterated its dedication to combating online hate messages in its November counterterrorism measures.

The government's counter-radicalization strategy includes an interagency effort to support local government actors who work with returnees from Syria to monitor their reintegration into society and provide them with guidance and support. In light of Belgian foreign terrorist fighter involvement in ISIL's November 13 attack on Paris, the Belgian government has proposed imprisoning Belgian foreign terrorist fighters upon their return to Belgium, prior to implementing rehabilitation efforts.

International and Regional Cooperation: Belgium participates in EU, NATO, OSCE, and Council of Europe counterterrorism efforts, and is a member of the advisory board of the UN Counterterrorism Center. As an EU member state, Belgium has contributed trainers and capacity building expertise to EU counterterrorism assistance programs in Sahel countries, including the Collège Sahélien de Sécurité; and the Belgian Federal Police have provided training to counterparts in the Maghreb. Belgium has participated in GCTF workshops.

International Sanctions

None applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	77
World Governance Indicator – Control of Corruption	91

Corruption and Government Transparency - Report by US State Department

Belgian anti-bribery legislation was revised completely in March 1999, when the competence of Belgian courts was extended to extraterritorial bribery. Bribing foreign officials is a criminal offense in Belgium. Belgium has been a signatory to the OECD Anti-Bribery Convention since 1999, and is a participating member of the OECD Working Group on Bribery. In the Working Group's Phase 3 review of Belgium, it called on Belgium to address the lack of resources available for fighting foreign bribery.

Under Article 3 of the Belgian criminal code, jurisdiction is established over offenses committed within Belgian territory by Belgian or foreign nationals. Act 99/808 added Article 10 related to the code of criminal procedure. This Article provides for jurisdiction in certain cases over persons (foreign as well as Belgian nationals) who commit bribery offenses outside the territory of Belgium. Various limitations apply, however. For example, if the bribe recipient exercises a public function in an EU member state, Belgian prosecution may not proceed without the formal consent of the other state.

Under the 1999 Belgian law, the definition of corruption was extended considerably. It is considered passive bribery if a government official or employer requests or accepts a benefit for him or herself or for somebody else in exchange for behaving in a certain way. Active bribery is defined as the proposal of a promise or benefit in exchange for undertaking a specific action. Until 1999, Belgian anti-corruption law did not cover attempts at passive bribery. The most controversial innovation of the 1999 law was the introduction of the concept of 'private corruption,' i.e. corruption among private individuals. Corruption by public officials carries heavy fines and/or imprisonment between 5 and 10 years. Private individuals face similar fines and slightly shorter prison terms (between six months and two years). The current law not only holds individuals accountable, but also the company for which they work. Contrary to earlier legislation, payment of bribes to secure or maintain public procurement or administrative authorization through bribery in foreign countries is no longer tax deductible. Recent court cases in Belgium suggest that corruption is most serious in government procurement and public works contracting. American companies have not, however, identified corruption as a barrier to investment.

The responsibility for enforcing corruption laws is shared by the Ministry of Justice through investigating magistrates of the courts, and the Ministry of the Interior through the Belgian federal police, which has jurisdiction in all criminal cases. A special unit, the Central Service for Combating Corruption, has been created for enforcement purposes but continues to lack the necessary staff.

Section 3 - Economy

This modern, open, and private-enterprise-based economy has capitalized on its central geographic location, highly developed transport network, and diversified industrial and commercial base. Industry is concentrated mainly in the more heavily-populated region of Flanders in the north. With few natural resources, Belgium imports substantial quantities of raw materials and exports a large volume of manufactures, making its economy vulnerable to volatility in world markets. Roughly three-quarters of Belgium's trade is with other EU countries, and Belgium has benefited most from its proximity to Germany. In 2013 Belgian GDP grew by 0.1%, the unemployment rate increased to 8.8% from 7.6% the previous year, and the government reduced the budget deficit from a peak of 6% of GDP in 2009 to 3.2%. Despite the relative improvement in Belgium's budget deficit, public debt hovers around 100% of GDP, a factor that has contributed to investor perceptions that the country is increasingly vulnerable to spillover from the euro-zone crisis. Belgian banks were severely affected by the international financial crisis in 2008 with three major banks receiving capital injections from the government, and the nationalization of the Belgian retail arm of a Franco-Belgian bank.

Agriculture - products:

sugar beets, fresh vegetables, fruits, grain, tobacco; beef, veal, pork, milk

Industries:

engineering and metal products, motor vehicle assembly, transportation equipment, scientific instruments, processed food and beverages, chemicals, basic metals, textiles, glass, petroleum

Exports - commodities:

machinery and equipment, chemicals, finished diamonds, metals and metal products, foodstuffs

Exports - partners:

Germany 18%, France 16.1%, Netherlands 13%, UK 7.3%, US 5.3%, Italy 4.4% (2012)

Imports - commodities:

raw materials, machinery and equipment, chemicals, raw diamonds, pharmaceuticals, foodstuffs, transportation equipment, oil products

Imports - partners:

Netherlands 20.9%, Germany 14.2%, France 10.6%, US 6.1%, UK 5.5%, Ireland 4.4% (2012)

Banking

The Belgian banking system has long been known to be a sophisticated and liberal banking system. Standardized customer account numbers for all financial intermediaries are widely used, and internet and phone banking are well developed. There are no restrictions on the free movement of capital and regulatory requirements are minimal. There is a particularly wide and flexible range of loan products offered to companies, with no discrimination as to the nationality of the investor. There are also many options available when it comes to raising risk capital. Thanks to an efficient branch network, there is a large number of Belgian and foreign banks servicing the country. Due to the sheer volume of international business carried out in Belgium, more than half of all banking transactions are international financial transactions. The majority of Belgian banks also have an extensive international network based on strategically located branches in the main financial markets around the world. A number of the 106 banks located in Belgium feature prominently in the top 100 international banks. The combined assets of the three main banks (Fortis, ING and KB Group) amount to $370 billion USD. As a result of the various alliances and mergers that took place in the 1990s, the Belgian banking landscape is particularly healthy and robust.

All credit institutions (banks and savings banks) operate under the same legal framework and are monitored by the same supervisory authorities. The Banking, Finance and Insurance Commission (BFAC) supervises the activities of financial institutions, including banks, investment funds, stock brokers, finance companies and holding companies. As a result of the deregulation of the banking sector in 1993, credit institutions have been able to offer all financial services, as defined by European legislation. The BFAC supervises the financial sector in close coordination with the National Bank of Belgium (Belgium's central bank).

Domestic and foreign banks in Belgium are represented by the Belgian Bankers' Association (BBA). Since June 2003, the BBA has been part of the recently created professional organization that represents the whole Belgian financial sector (banks, investment funds, leasing companies, stock brokers, asset managers and companies offering credit to the household sector), called Febelfin.

Stock Exchange

Belgium also has a well-established stock market. In fact, the first stock market ever was organized in Bruges in the 14th century. At the end of 2000, the Brussels stock market merged with the Paris and Amsterdam bourses into Euronext, a Pan-European stock-trading platform. In 2006, Euronext and NY Stock Exchange shareholders voted to merge the two exchanges.

Section 4 - Investment Climate

Executive Summary

While there remain European and national level drags on Belgium's economy, after two years of virtually no growth, the Belgian economy is expected to grow 1.4 percent in 2014. Economic growth will be driven by slight increases in consumption, investment and exports. Assets to Belgium's investment climate include stabilized financial markets with improved access to credit, attractive export forecasts benefitting from Belgium's position as a gateway to Europe, and improving domestic business and consumer confidence. The liabilities to investment include the rigid labor market, a complicated tax regime with a high nominal corporate rate, and the evolving roles of the regional and federal governments as they relate to economic activity.

Assets

Belgium boasts an open market well connected to the major economies of the world. As a gateway to Europe, host to the European institutions and a central location closely tied to the major European economies (Germany in particular), Belgium is an attractive market for U.S. investors. The Belgian government was active in the rescue of its major banks and the financial markets have largely stabilized, following a reduction in bank balance sheets and exposure to risky derivative markets. Foreign and domestic investors are expected to take advantage of improved credit opportunities and increased consumer and business confidence. Finally, Belgium is a highly developed, long-time economic partner of the United States that benefits from an extremely well-educated workforce, world-renowned research centers, and the infrastructure to support the broad range of economic activities.

Liabilities

Belgium's international competitiveness has been hindered by a rigid labor market that makes Belgian employees relatively expensive compared to neighboring countries. Belgium's nominal corporate tax rate at 33.99 percent is one of the highest in Europe and is only mitigated by a myriad of subsidies and tax deductions. The on-going Sixth State Reform has slowly been shifting certain responsibilities from the federal to the regional governments. It is not yet clear how these evolving responsibilities may affect some of the incentives and deductions in place.

On the Balance

Belgium has a dynamic economy and continues to attract significant levels of investment in aerospace and defense; chemicals, petrochemicals, plastic and composites; environmental technologies; food processing and packaging; health technologies; information and communication; and textiles, apparel and sporting goods, among other sectors. Over the past few years, Belgium has lost some of its traditional manufacturing base, which had benefitted from U.S. investment. American companies in particular have made recent investments in petrochemicals, health technologies, and information and communication.

1. Openness To, and Restrictions Upon, Foreign Investment

Belgium has traditionally maintained an open economy, highly dependent on international trade for its well-being. Since WWII, foreign investment has played a vital role in the Belgian economy, providing technology and employment. Though the federal government regulates important elements of foreign direct investment such as salaries and labor conditions, it is primarily the responsibility of the regions to attract FDI. Flanders Investment and Trade (FIT), Wallonia Foreign Trade and Investment Agency (AWEX) and Brussels Invest and Export, attract FDI to Flanders, Wallonia and the Brussels Capital Region, respectively. Foreign corporations account for about one-third of the top 3,000 corporations in Belgium. According to Graydon, a Belgian company specializing in commercial and marketing information, there are currently more than one million companies registered in Belgium, of which 74,000 new companies were registered in 2013.

Industrial Strategy

The regional investment promotion agencies have focused their industrial strategy on key sectors including aerospace and defense; agribusiness, automotive and ground transportation; architecture and engineering; chemicals, petrochemicals, plastics and composites; environmental technologies; food processing and packaging; health technologies; information and communication; and services.

TABLE 1: The following chart summarizes several internationally well-regarded indices and rankings.

Measure	**Year**	**Rank or value**	**Website Address**
TI Corruption Perceptions index	2013	15 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	35 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	36 of 189	http//doingbusiness.org/rankings
Global Innovation Index	2013	21 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener

World Bank GNP per capita	2013	43,834 USD	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Payments and transfers within Belgium and with foreign countries require no prior authorization. Transactions may be executed in euros as well as in other currencies.

On May 1, 1998, Belgium was one of the 11 European Union (EU) member states that agreed to form a currency union (European monetary union), with the Euro as its single currency. On January 1, 1999, exchange rates were irrevocably fixed among Eurozone currencies, with 1 Euro equal to 40.3399 Belgian Francs (BF). Euro coins and bank notes were introduced in early 2002. Old BF notes can only be exchanged for Euros at National Bank of Belgium offices. Old BF coins were no longer convertible as of January 1, 2005.

Belgium has no debt-to-equity requirements. Dividends may be remitted freely except in cases in which distribution would reduce net assets to less than paid-up capital. No further withholding tax or other tax is due on repatriation of the original investment or on the profits of a branch, either during its operations or upon the closing thereof

3. Expropriation and Compensation

There are no outstanding expropriation or nationalization cases in Belgium with U.S. investors. There is no pattern of discrimination against foreign investment in Belgium.

When the Belgian government uses its eminent domain powers to acquire property compulsorily for a public purpose, adequate compensation is paid to the property owners. Recourse to the courts is available if necessary. The only expropriations that occurred during the last decade were related to infrastructure projects such as port expansion, roads, and railroads. In the future, expropriations to reserve space for nuclear waste storage are still expected, but the sites will not be near areas of existing economic activity. The government of Belgium has decreed that all nuclear power plants will be closed by 2025.

In 2013, the region of Wallonia considered acquiring an industrial site that was being abandoned by a foreign investor in order to mitigate job-loss and invest in redevelopment. This was not acted upon by year’s end.

4. Dispute Settlement

Belgium's legal system is independent of the government and is a means for resolving commercial disputes or protecting property rights. As in many countries, the Belgian courts labor under a growing caseload, and backlogs cause delays. There are several levels of appeal.

Bankruptcy

Belgian bankruptcy law is governed by the Bankruptcy Act of 1997 and is under the jurisdiction of the commercial courts. The commercial court appoints a judge-auditor to preside over the bankruptcy proceeding and whose primary task is to supervise the management and liquidation of the bankrupt estate, in particular with respect to the claims of the employees. Belgian bankruptcy law recognizes several classes of preferred or secured creditors. A person who has been declared bankrupt may now start a new business unless the person is found guilty of certain criminal offences that are directly related to the bankruptcy. The Business Continuity Act of 2009 provides the possibility for companies in financial difficulty to enter into a judicial reorganization. These proceedings are to some extent similar to Chapter 11 as the aim is to facilitate business recovery.

International Arbitration

Belgium is a member of the International Center for the Settlement of Investment Disputes (ICSID) and regularly includes provision for ICSID arbitration in investment agreements. The government accepts binding international arbitration of disputes between foreign investors and the state; a recent example was the international arbitration between the Belgian and the Dutch governments regarding a railway line dispute, the so-called "Iron Rhine."

Duration of Dispute Resolution

The court system is regionalized and the duration of investment and commercial dispute proceedings can vary. There is anecdotal evidence that court disputes can take months or years to resolve. The delays are generally attributed to a shortage of judges to rule on cases resulting in long queues for hearing dates.

5. Performance Requirements and Investment Incentives

Since the law of August 1980 on regional devolution in Belgium, investment incentives and subsidies have been the responsibility of Belgian's three regions: Brussels, Flanders, and Wallonia. Nonetheless, most tax measures remain under the control of the federal government as do the parameters (social security, wage agreements) that govern general salary and benefit levels. In general, all regional and national incentives are available to foreign and domestic investors alike. Belgian investment incentive programs at all levels of government are limited by EU regulations and thus are kept in line with those of the other EU member states. The European Commission has tended to discourage certain investment incentives in the belief that they distort the single market, impair structural change, and threaten EU convergence, as well as social and economic cohesion. Belgium thus has seen its number of underdeveloped areas, into which the EU allowed certain investment subsidies, further curtailed.

Under the Belgian constitution, attracting foreign direct investment is the responsibility of the Belgian regions (Brussels-Capital, Flanders, and Wallonia) through the regional investment agencies – Flanders Investment and Trade (FIT), Wallonia Foreign Investment and Trade (AWEX), and the Brussels Invest and Export. In their investment policies, the regions emphasize innovation promotion, research and development, energy savings, environmental cleanliness, exports, and most of all, employment. The agencies have staff specializing on specific regions of the world, including the United States, and have representation offices in different countries. In addition, the Finance Ministry established a foreign investment tax unit in 2000 to provide assistance and to make the tax administration more "user friendly" to foreign investors.

In 2005, the Belgian Federal Finance Ministry proposed a new investment incentive program in the form of a notional interest rate deduction. This was adopted by Parliament, and as of January 1, 2006, the new tax law permits a corporation established in Belgium, foreign or domestic, to deduct from its taxable profits a percentage of its adjusted net assets linked to the rate of the Belgian long-term state bond. The law permits all companies operating in Belgium to deduct the "notional" interest rate that would have be paid on their locally invested capital had it been borrowed at a rate of interest equal to the current rate the Belgian government pays on its 10-year bonds. This amount is deducted from profits, thus lowering the sum on which Belgian corporate taxes (currently 33.99%) are calculated. In 2011, the notional interest was set at 3.8 percent for corporations. The applicable interest rate is adjusted annually, but will never be allowed to vary more than one percent (100 basis points) in one year nor exceed 6.5 percent. For 2013, the Belgian Federal government set the notional interest rate at 3 percent for large corporations and 3.5 percent for SMEs. For 2014, the rate is 2.74 percent for large corporations and 3.24percent for SMEs and for 2015 the rate will be 2.63 percent for large corporations and 3.13 percent for SMEs.

Research and Development

Belgium has made an effort to encourage companies to carry out R&D activities within the country. At both the federal and regional government levels, there are incentives in place to mitigate the cost of employing researchers. These are offered as tax allowances or as direct stipends. Regional governments offer incentives on the cost of creating patents as well as some exemptions on income generated from the sales of goods subjected to proprietary patents. There are also ways in which a company can deduct a percentage of what it invests in R&D and energy-saving improvements from its taxable base. More information on incentives by region is available at: www.investinbrussels.com (Brussels), www.flandersinvestmentandtrade.com (Flanders), and www.investinwallonia.be (Wallonia).

Performance Requirements

Performance requirements in Belgium usually relate to the number of jobs created. There are no known cases where export targets or local purchase requirements were imposed, with the exception of military offset programs, which were reintroduced under Prime Minister Verhofstadt in 2006. While the government reserves the right to reclaim incentives if the investor fails to meet his employment commitments, enforcement is rare. However, in 2012, with the announced closure of an automotive plant in Flanders, the issue of reclaiming government commitments has surfaced. The Flanders region is in negotiations with the company to reclaim training subsidies that had been provided to the company.

6. Right to Private Ownership and Establishment

Both domestic and foreign private entities have the right to establish business enterprises. This right is well established in Belgium's constitution and in law. The right to acquire or sell interests in business enterprises is similarly protected by law.

No restrictions in Belgium apply specifically to foreign investors. Foreign interests may enter into joint ventures and partnerships on the same basis as domestic parties, except for certain professions, such as doctors, lawyers, accountants and architects. Additional verification (to confirm equivalence of education and training) exist in these professions because they are subject to liability claims. All investors, Belgian or foreign, must obtain special permission to open department stores, provide transportation and security services, cut and polish diamonds, or sell firearms and ammunition. Food safety regulations require all organizations in Belgium involved in food production (packaging, wholesale, and retail) to obtain a permit from the Belgian Federal Food Administration.

There is competitive equality between public and private enterprises with respect to market access, credit, and other business operations, such as licenses and supplies; however, public enterprises such as the Belgian railroads are often exempt from VAT.

7. Protection of Property Rights

Property rights in Belgium are well protected by law. The courts are independent and considered effective in enforcing property rights. Belgium generally meets very high standards in the protection of intellectual property rights. Rights granted under American patent, trademark, or copyright law can only be enforced in the United States, its territories, and possessions. The European Union has taken a number of initiatives to promote intellectual property protection, but in cases of non-implementation, national laws continue to apply. Despite legal protection of intellectual property, Belgium experiences the commercial and private infringement – particularly internet music piracy and illegal copying of software – common to most EU states.

All intellectual property rights (IPR) are administered and enforced by the Belgian Office of Intellectual Property in the Ministry for Economic Affairs (http://economie.fgov.be/en/entreprises/Intellectual_property/Aspects_institutionnels_et_pratiques/OPRI/). The Office of Intellectual Property, Directorate General Regulation and Market Organisation (ORPI) administers intellectual property in Belgium. The Directeur général/Director General: is Mr. Emmanuel Pieters. This office manages and provides Belgian intellectual property titles, informs the public about IPR, drafts legislation and advises Belgian authorities with regard to national and international issues. Enforcement of IPR is in the hands of the Belgian Ministry of Justice. 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/. The Embassy's point of contact for public inquiries on property rights in Belgium is listed in section 19.

A list of English-speaking attorneys in Belgium can be found at this link: http://photos.state.gov/libraries/belgium/8548/cons/Lawyer%20list%202012%20update%20december_001.pdf The United States Embassy at Brussels, Belgium assumes no responsibility or liability for the professional ability or reputation of, or the quality of services provided by, the persons or firms on the list.

8. Transparency of the Regulatory System

The Belgian government has adopted a generally transparent competition policy and effective laws foster competition. Tax, labor, health, safety, and other laws and policies have been implemented to avoid distortions or impediments to the efficient mobilization and allocation of investment, comparable to those in other EU member states. Nevertheless, foreign and domestic investors in some sectors face stringent regulations designed to protect small- and medium-sized enterprises. Many companies in Belgium also try to limit their number of employees to 49, the threshold above which certain employee committees must be set up, such as for safety and trade union interests.

Recognizing the need to streamline administrative procedures in many areas, the federal government in 2004 set up a special task force to simplify official procedures. It also agreed to streamline laws regarding the telecommunications sector into one comprehensive volume after new entrants in this sector had complained about a lack of transparency. It also beefed up its Competition Policy Authority with a number of renowned academic experts and additional resources. The American Chamber of Commerce has called attention to the adverse impact of cumbersome procedures and unnecessary red tape on foreign investors; although, foreign companies do not necessarily suffer more from this than Belgian firms.

In 2012, the government and the pharmaceutical sector negotiated an agreement to lower the government's healthcare costs. In exchange for the government agreeing to an accelerated approval process for new medicines, the pharmaceutical sector agreed to price decreases and price ceilings on certain types of medicine, requesting government reimbursements based on actual quantities of medicine used (i.e. reimbursing for fractions of medication rather than entire box or pouch), paying taxes on marketing activities and decreasing the volume of prescriptions.

9. Efficient Capital Markets and Portfolio Investment

Belgium has in place policies to facilitate the free flow of financial resources. Credit is allocated at market rates and is available to foreign and domestic investors without discrimination. Belgium is fully served by the international banking community and is implementing all relevant EU financial directives.

Because the Belgian economy is directed toward international trade, more than half of its banking activities involve foreign countries. Belgium's major banks are represented in the financial and commercial centers of dozens of countries by subsidiaries, branch offices, and representative offices.

Belgium is one of the countries with the highest number of banks per capita in the world. The banking system is considered sound but was particularly hard hit by the financial crisis that began in the fall of 2008, when federal and regional governments had to step in with lending and guarantees for the three largest banks. Following a review of the 2008 financial crisis, the Belgian government decided in 2012 to shift the authority of bank supervision from the Financial Market Supervision Authority (FMSA) to the National Bank of Belgium (NBB).

Bank balance sheets have decreased in volume overall, from close to 1.6 trillion euros in 2007 to just over 1 trillion euros in 2013, according to the National Bank of Belgium, and in the risky derivative markets in particular. Meanwhile, the Belgian banking sector posted a profit of 3.5 billion euros in the first nine months of 2013, significantly higher than the previous two years (1.6 billion euros in 2012 and 400 million in 2011), but less than the 5.6 billion euros posted in 2010.

The country's banks use modern, automated systems for domestic and international transactions. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) has its headquarters in Brussels. Euroclear, a clearing entity for transactions in stocks and other securities, is also located in Brussels.

Belgium also has a well-established stock market. In fact, the first stock market ever was organized in Bruges in the 14th century. At the end of 2000, the Brussels stock market merged with the Paris and Amsterdam bourses into Euronext, a Pan-European stock-trading platform. In 2006, Euronext and NY Stock Exchange shareholders voted to merge the two exchanges. On Euronext, a company may increase its capital either by capitalizing reserves or by issuing new shares. An increase in capital requires a legal registration procedure. New shares may be offered either to the public or to existing shareholders. Public notice is not required if the offer is to existing shareholders, who may subscribe to the new shares directly. An issue of bonds to the public is subject to the same requirements as a public issue of shares: the company's capital must be entirely paid up, and existing shareholders must be given preferential subscription rights.

In Belgium, there are many cases of cross-shareholding and stable shareholder arrangements but never with the express intent to keep out foreign investors. Likewise, anti-takeover defenses are designed to protect against all potential hostile takeovers, not only foreign hostile takeovers.

10. Competition from State-Owned Enterprises

Belgium does not have any State Owned Enterprises (SOE) that exercise delegated government powers. Private enterprises are allowed to compete with public enterprises under the same terms and conditions, but since the EU started to liberalize network industries such as electricity, gas, water, telecoms and railways, there have been regular complaints in Belgium about unfair competition from the historical incumbents, i.e. the former state monopolists. Complaints have ranged from lower salaries (railways) to lower VAT rates (gas and electricity) and a regulator who was judge and party at the same time (telecom). Although these complaints have now largely subsided, one often finds these former monopolies as market leaders in their sector, mainly because they were able to charge high admission costs for access to a network which they themselves had already written off a long time ago. Corporate governance at the boards of these historical monopolies is still deficient. Board seats are occupied by representatives of the governing political parties in proportion to their representation in Parliament. However, not all board members report directly to cabinet ministers.

Sovereign Wealth Funds

Belgium has a sovereign wealth fund (SWF) in the form of the Federal Participation Company, a quasi-independent entity created in 2004 and now mainly used as a vehicle to manage the banking assets which were taken on board during the 2008 banking crisis. The SWF has a board whose members reflect the composition of the governing coalition and are regularly audited by the “Court des Comptes” or national auditor. Due to the origins of the fund, the majority of the funds are invested domestically. Its role is to allow public entities to recoup their investments and support Belgian banks. The SWF is required by law to publish an annual report and is subject to the same domestic and international accounting standards and rules. The SWF routinely fulfills all legal obligations.

11. Corporate Social Responsibility

There is a general awareness of corporate social responsibility among producers and consumers. Boards of directors are encouraged to pay attention to corporate social responsibility in the 2009 Belgian Code on corporate governance.

12. Political Violence

Belgium is a peaceful, democratic nation comprised of federal, regional, and municipal political units: the Belgian federal government, the regional governments of Flanders, Wallonia, and the Brussels capital region, and 589 communes (municipalities). Political divisions do exist between the Flemish and Walloons, but they are addressed in democratic institutions and resolved through compromise.

13. Corruption

Belgian anti-bribery legislation was revised completely in March 1999, when the competence of Belgian courts was extended to extraterritorial bribery. Bribing foreign officials is a criminal offense in Belgium. Belgium has been a signatory to the OECD Anti-Bribery Convention since 1999, and is a participating member of the OECD Working Group on Bribery. In the Working Group's Phase 3 review of Belgium, it called on Belgium to address the lack of resources available for fighting foreign bribery.

Under Article 3 of the Belgian criminal code, jurisdiction is established over offenses committed within Belgian territory by Belgian or foreign nationals. Act 99/808 added Article 10 related to the code of criminal procedure. This Article provides for jurisdiction in certain cases over persons (foreign as well as Belgian nationals) who commit bribery offenses outside the territory of Belgium. Various limitations apply, however. For example, if the bribe recipient exercises a public function in an EU member state, Belgian prosecution may not proceed without the formal consent of the other state.

Under the 1999 Belgian law, the definition of corruption was extended considerably. It is considered passive bribery if a government official or employer requests or accepts a benefit for him or herself or for somebody else in exchange for behaving in a certain way. Active bribery is defined as the proposal of a promise or benefit in exchange for undertaking a specific action. Until 1999, Belgian anti-corruption law did not cover attempts at passive bribery. The most controversial innovation of the 1999 law was the introduction of the concept of 'private corruption,' i.e. corruption among private individuals. Corruption by public officials carries heavy fines and/or imprisonment between 5 and 10 years. Private individuals face similar fines and slightly shorter prison terms (between six months and two years). The current law not only holds individuals accountable, but also the company for which they work. Contrary to earlier legislation, payment of bribes to secure or maintain public procurement or administrative authorization through bribery in foreign countries is no longer tax deductible. Recent court cases in Belgium suggest that corruption is most serious in government procurement and public works contracting. American companies have not, however, identified corruption as a barrier to investment.

The responsibility for enforcing corruption laws is shared by the Ministry of Justice through investigating magistrates of the courts, and the Ministry of the Interior through the Belgian federal police, which has jurisdiction in all criminal cases. A special unit, the Central Service for Combating Corruption, has been created for enforcement purposes but continues to lack the necessary staff.

14. Bilateral Investment Agreements

Belgium has no specific investment agreement with the United States; investment-related issues are covered in the 1951 Treaty of Friendship, Enterprise and Navigation. Belgium has bilateral investment treaties in force with Albania, Algeria, Argentina, Armenia, Bangladesh, Bolivia, Burkina Faso, Burundi, Chile, China, Croatia, Cyprus, Democratic Republic of the Congo, Egypt, El Salvador, Philippines, Gabon, Georgia, Hong Kong, India, Indonesia, Yemen, Cameroon, Kazakhstan, Kuwait, Korea, Lebanon, Lithuania, Macedonia, Morocco, Mexico, Moldavia, Mongolia, Ukraine, Uzbekistan, Paraguay, Romania, Rwanda, Saudi Arabia, Singapore, South Africa, Sri-Lanka, Thailand, Czech Republic, Tunisia, Uruguay, Russia, Venezuela, and Vietnam. Additionally, Belgium and Luxembourg have jointly signed (as The Belgium Luxembourg Economic Union – BLEU) as-yet-unimplemented agreements with Cuba, Liberia, Mauritania, and Thailand. Belgium and Luxembourg also have joint investment treaties with Poland and Russia, but these are not BLEU agreements. All these agreements provide for mutual protection of investments.

15. OPIC and Other Investment Insurance Programs

Belgium, as a developed country, does not qualify for OPIC programs. No other countries operate investment insurance programs in Belgium.

16. Labor

In 2012, there were noteworthy changes to the Belgian labor law though many of the main structural conditions remain in place. The retirement age was increased from 60 to 62. Unemployment benefits now decrease over time as an incentive for the unemployed to regain employment. Historically, unemployment benefits were constant and some unemployed lived off the benefits indefinitely. Finally, during the 2013-2014 budget negotiations, a “wage-freeze” was agreed upon, but indexation would remain. In effect, the cost of labor would therefore continue to rise based on the automatic wage indexation calculations.

Wage increases are negotiated by sector within the parameters set by automatic wage indexation and the 1996 Law on Competitiveness. The purpose of automatic wage indexation is to establish a bottom margin that protects employees against inflation: for every increase in CPI above 2 percent, wages must be increased by (at least) 2 percent as well. The top margin is determined by the competitiveness law, which requires the Central Economic Council (CCE) to study wage projections in neighboring countries and make a recommendation on the maximum margin that will ensure Belgian competitiveness. The CCE is made up of civil society organizations (primarily representatives from employer and employee organizations). Its mission is to promote a socio-economic compromise in Belgium by providing informed recommendations to the government. The CCE’s projected increases in neighboring countries have been higher than their real increases, however. As Belgium’s margin is influenced by the projections, Belgium’s wages have increased more rapidly than its neighbors.

The Belgian labor force is generally well trained, highly motivated and very productive. Workers have an excellent command of foreign languages, particularly in Flanders. There is a low unemployment rate among skilled workers, such as local managers. Enlargement of the EU in May 2004 and January 2007 facilitated the entry of skilled workers into Belgium from new member states. However, registration procedures were required until mid-2009 for entrants from some new EU member states. Non-EU nationals must apply for work permits before they can be employed. Minimum wages vary according to the age and responsibility level of the employee and are adjusted for the cost of living.

Belgian workers are highly unionized and usually enjoy good salaries and benefits. Wage increases are negotiated centrally and are automatically indexed to changes in cost of living. Belgian wage and social security contributions, along with those in Germany, are among the highest in Western Europe. At the end of 2013, Belgium’s harmonized unemployment figure stood at 8.5 percent, below the EU28 average of 10.8 percent (OECD). High wage levels and pockets of high unemployment coexist, reflecting both strong productivity in new technology sector investments and weak skills of Belgium's long-term unemployed, whose overall education level is significantly lower than that of the general population. As a consequence of high wage costs, employers have tended to invest more in capital than in labor. At the same time, a shortage exists of workers with training in computer hardware and software, automation and marketing, increasing wage pressures in these sectors.

Belgian's comprehensive social security package is composed of five major elements: family allowance, unemployment insurance, retirement, medical benefits and a sick leave program that guarantees salary in event of illness. Currently, average employer payments to the social security system stand at 35 percent of salary while employee contributions comprise 13 percent. In addition, many private companies offer supplemental programs for medical benefits and retirement.

Belgian labor unions, while maintaining a national superstructure, are, in effect, divided along linguistic lines. The two main confederations, the Confederation of Christian Unions and the General Labor Federation of Belgium, maintain close relationships with the Christian Democratic and Socialist political parties, respectively. They exert a strong influence in the country, politically and socially. A national bargaining process covers inter-professional agreements that the trade union confederations negotiate biennially with the government and the employers' associations. In addition to these negotiations, bargaining on wages and working conditions takes place in the various industrial sectors and at the plant level. About 51 percent of employees from the public service and private sector are labor union members. A cause for concern in labor negotiation tactics is isolated cases where union members in Wallonia have resorted to physically forcing management to stay in their offices until an agreement can be reached.

Foreign firms, which generally pay well, usually enjoy harmonious labor relations. Nonetheless, problems can occur, particularly in connection with the shutting down or restructuring of operations. Many strikes are one-day symbolic actions but occasionally industrial actions last longer. Labor actions did not appear to affect foreign (including U.S.) firms any more than Belgian firms in recent years.

Firing a Belgian employee can be very expensive. An employee may be dismissed immediately for cause, such as embezzlement or other illegal activity, but when a reduction in force occurs, the procedure is far more complicated. In 2013, Belgium passed legislation to harmonize severance procedures for white-collar and blue-collar workers, though its implementation will be phased in overtime. Belgium is a strict adherent to ILO labor conventions.

In those instances where the employer and employee cannot agree on the amount of severance pay or indemnity, the case is referred to the commercial courts for a decision. To avoid these complications, some firms consider including a "trial period" (of up to one year) in any employer-employee contract.

Belgium was one of the first countries in the EU to harmonize its legislation with the EU Works Council Directive of December 1994. Its flexible approach to the consultation and information requirements specified in the Directive compares favorably with that of other EU member states.

17. Foreign Trade Zones/Free Ports

There are no foreign trade zones or free ports as such in Belgium. However, the country utilizes the concept of customs warehouses. A customs warehouse is a warehouse approved by the customs authorities where imported goods may be stored without payment of customs duties and VAT. Only non-EU goods can be placed under a customs warehouse regime. In principle, non-EU goods of any kind may be admitted, regardless of their nature, quantity, and country of origin or destination. Individuals and companies wishing to operate a customs warehouse must be established in the EU and obtain authorization from the customs authorities. Authorization may be obtained by filing a written request and by demonstrating an economic need for the warehouse.

18. 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 (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2012	$484.6 billion	2012	$483.3 billion	http://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 (*Millions U.S. Dollars, stock positions)*	2012	$35.3 billion	2012	$53.8 billion	Bureau of Economic Analysis
Host country's FDI in the United States (*Millions U.S. Dollars, stock positions)*	2012	$127 billion	2012	$88.7 billion	Bureau of Economic Analysis
Total inbound U.S. stock of FDI as %	2012	7.3%	2012	11.1%	

host GDP (***calculate)***					

* Host Country Source: National Bank of Belgium. The National Bank of Belgium looks at foreign direct investment from a national income account perspective. Belgium makes no distinction as to the nationality of the parent of investing companies, rather refers to the individual investing company's geographic location.

TABLE 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data, Belgium 2012					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment (flow)			**Outward Direct Investment (flow)**		
Total Inward	499,076	100%	Total Outward	470,203	100%
Luxembourg	249,569	50%	Luxembourg	121,917	26%
France	146,978	29%	Netherlands	108,981	23%
Netherlands	102,520	21%	Ireland	47,217	10%
Brazil	30,535	6%	France	38,160	8%
Germany	14,241	3%	United States	33,749	7%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: International Monetary Fund, http://cdis.imf.org

Comment: while Belgium's neighbors continue to be the main investors and recipients of Belgian FDI, the role of Luxembourg in these statistics is mainly related to its role as a financial center and tax haven, not because of its overall economic activities.

TABLE 4: Sources of Portfolio Investment

Portfolio Investment Assets, Belgium June 2013								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
World	657,404	100%	World	237,388	100%	World	420,016	100%
Luxembourg	153,275	23%	Luxembourg	131,805	56%	France	91,440	22%

France	126,790	19%	France	35,351	15%	Netherlands	75,544	18%
Netherlands	82,463	13%	United States	15,569	7%	Italy	31,003	7%
Germany	42,490	6%	Germany	11,913	5%	Germany	30,577	7%
United States	36,957	6%	United Kingdom	7,393	3%	Ireland	29,142	7%

Source: International Monetary Fund, http://cpis.imf.org

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chiefs 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 based on the French Civil Code; note - Belgian law continues to be modified in conformance with the legislative norms mandated by the European Union; judicial review of legislative acts

International organization participation:

ADB (nonregional members), AfDB (nonregional members), Australia Group, Benelux, BIS, CD, CE, CERN, EAPC, EBRD, ECB, EIB, EITI (implementing country), EMU, ESA, EU, FAO, FATF, G-9, G-10, IADB, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IEA, IFAD, IFC, IFRCS, IGAD (partners), IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NATO, NEA, NSG, OAS (observer), OECD, OIF, OPCW, OSCE, Paris Club, PCA, Schengen Convention, SELEC (observer), UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, UNRWA, UNTSO, UPU, WCO, WHO, WIPO, WMO, WTO, ZC

Section 6 - Tax

Exchange control

There are no exchange controls in Belgium.

Treaty and non-treaty withholding tax rates

Belgium has exchange of information relationships with 127 jurisdictions through 103 DTCs, 15 TIEAs and 1 multilateral mechanism, Convention on Mutual Administrative Assistance in Tax Matters.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Albania	DTC	14 Nov 2002	1 Sep 2004	Unreviewed	No
Algeria	DTC	15 Dec 1991	10 Jan 2003	Unreviewed	No
Andorra	TIEA	23 Oct 2009	not yet in force	Yes	Yes
Anguilla	TIEA	24 Sep 2010	not yet in force	Yes	Yes
Antigua and Barbuda	TIEA	7 Dec 2009	not yet in force	Yes	Yes
Argentina	DTC	12 Jun 1996	21 Jul 1999	Yes	No
Armenia	DTC	7 Jun 2001	1 Oct 2004	Unreviewed	No
Australia	DTC	13 Oct 1977	1 Nov 1979	Yes	No
Austria	DTC	29 Dec 1971	28 Jun 1973	Yes	No
Azerbaijan	DTC	18 May 2004	12 Aug 2006	No	No
Bahamas, The	TIEA	7 Dec 2009	not yet in force	Yes	Yes
Bahrain	DTC	4 Nov 2007	not yet in force	Yes	No
Bangladesh	DTC	18 Oct 1990	9 Dec 1997	Unreviewed	No
Belarus	DTC	7 Mar 1995	13 Oct 1998	Unreviewed	No
Belize	TIEA	29 Dec 2009	not yet in force	Yes	Yes
Bermuda	TIEA	11 Apr 2013	not yet in force	Unreviewed	Yes
Bosnia and Herzegovina	DTC	21 Nov 1980	26 May 1983	Unreviewed	No
Brazil	DTC	23 Jun 1972	13 Jul 1973	Yes	No
Bulgaria	DTC	25 Oct 1988	28 Nov 1991	Unreviewed	No
Canada	DTC	23 May 2002	6 Oct 2004	Yes	No
Chile	DTC	6 Dec 2007	5 May 2010	Yes	No
China	DTC	7 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
China	DTC	18 Apr 1985	11 Sep 1987	Yes	No
Chinese Taipei	DTC	13 Oct 2004	14 Dec 2005	Unreviewed	No
Congo, Republic of the	DTC	23 May 2007	not yet in force	Unreviewed	No
Croatia	DTC	31 Oct 2001	1 Apr 2004	Unreviewed	No
Cyprus	DTC	14 May 1996	8 Dec 1999	Yes	No
Czech Republic	DTC	16 Dec 1996	24 Jul 2000	Yes	No
Côte d'Ivoire	DTC	25 Nov 1977	30 Dec 1980	Unreviewed	No
Denmark	DTC	16 Oct 1969	31 Dec 1970	Yes	Yes
Dominica	TIEA	26 Feb 2010	not yet in force	No	Yes
Ecuador	DTC	18 Dec 1996	18 Mar 2004	Unreviewed	No
Egypt	DTC	3 Jan 1991	3 Mar 1997	Unreviewed	No
Estonia	DTC	5 Nov 1999	15 Apr 2003	Yes	No
Finland	DTC	18 May 1976	27 Dec 1978	Yes	Yes
Former Yugoslav Republic of Macedonia	DTC	6 Jul 2010	not yet in force	Yes	Yes
Former Yugoslav Republic of Macedonia	DTC	21 Nov 1980	20 May 1983	Yes	No
France	DTC	10 Mar 1964	17 Jun 1965	Yes	Yes
Gabon	DTC	14 Jan 1993	13 May 2005	Unreviewed	No
Georgia	DTC	14 Dec 2000	4 May 2004	Unreviewed	No
Germany	DTC	11 Apr 1967	30 Jul 1969	Yes	No
Ghana	DTC	14 Jun 2005	17 Oct 2008	Yes	No
Gibraltar	TIEA	16 Dec 2009	not yet in force	Yes	Yes
Greece	DTC	25 May 2004	30 Dec 2005	Yes	No
Grenada	TIEA	18 Mar 2010	not yet in force	Yes	Yes
Hong Kong, China	DTC	10 Dec 2003	7 Oct 2004	No	No
Hungary	DTC	19 Jul 1982	25 Feb 1984	No	No
Iceland	DTC	23 May 2000	19 Jun 2003	Yes	No
India	DTC	26 Apr 1993	1 Oct 1997	Yes	No
Indonesia	DTC	16 Sep 1997	7 Nov 2001	Yes	No
Ireland	DTC	24 Jun 1970	31 Dec 1973	Yes	No
Isle of Man	DTC	16 Jul 2009	not yet in force	Yes	Yes
Israel	DTC	13 Jul 1972	4 Nov 1975	Yes	No
Italy	DTC	29 Apr 1983	29 Jul 1989	Yes	No
Japan	DTC	28 Mar 1968	16 Apr 1970	Yes	No
Kazakhstan	DTC	16 Apr 1998	13 Apr 2000	Unreviewed	No
Korea, Republic of	DTC	29 Aug 1977	19 Sep 1979	Yes	No
Kosovo	DTC	21 Nov 1980	20 May 1983	Unreviewed	No
Kuwait	DTC	10 Mar 1990	28 Oct 2000	No	No
Kyrgyzstan	DTC	17 Dec 1987	8 Jan 1991	No	No
Latvia	DTC	21 Apr 1999	7 May 2003	Unreviewed	No
Liechtenstein	TIEA	10 Nov 2009	not yet in force	No	Yes

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Lithuania	DTC	26 Nov 1998	5 May 2003	Yes	No
Luxembourg	DTC	17 Sep 1970	30 Dec 1972	Yes	Yes
Macao, China	DTC	19 Jun 2006	not yet in force	Yes	No
Malaysia	DTC	24 Oct 1973	14 Aug 1975	No	No
Malta	DTC	28 Jun 1974	3 Jan 1975	Yes	No
Mauritius	DTC	4 Jul 1995	28 Jan 1999	Yes	No
Mexico	DTC	24 Nov 1992	1 Feb 1997	Yes	No
Moldova, Republic of	DTC	17 Dec 1987	8 Jan 1991	No	No
Monaco	TIEA	15 Jul 2009	not yet in force	Yes	Yes
Mongolia	DTC	26 Sep 1995	30 Mar 2000	Unreviewed	No
Montenegro	DTC	21 Nov 1980	20 May 1983	Unreviewed	No
Montserrat	TIEA	16 Feb 2010	not yet in force	Yes	Yes
Morocco	DTC	4 May 1972	5 Mar 1975	Unreviewed	No
Netherlands	DTC	5 Jun 2001	31 Dec 2002	Yes	Yes
New Zealand	DTC	15 Sep 1981	8 Dec 1983	Yes	No
Nigeria	DTC	20 Nov 1989	27 Oct 1994	Yes	No
Norway	DTC	14 Apr 1988	4 Oct 1991	Yes	Yes
Oman	DTC	16 Dec 2008	not yet in force	Unreviewed	No
Pakistan	DTC	17 Mar 1980	2 Sep 1983	Unreviewed	No
Philippines	DTC	2 Oct 1976	9 Jul 1980	Yes	No
Poland	DTC	20 Aug 2001	29 Apr 2004	Yes	No
Portugal	DTC	16 Jul 1969	19 Feb 1971	Yes	No
Qatar	DTC	6 Nov 2007	not yet in force	Yes	No
Romania	DTC	4 Mar 1996	17 Oct 1998	Unreviewed	No
Russian Federation	DTC	16 Jun 1995	26 Jun 2000	Yes	No
Rwanda	DTC	16 Apr 2007	6 Jul 2010	Unreviewed	No
Saint Kitts and Nevis	TIEA	18 Dec 2009	not yet in force	Yes	Yes
Saint Lucia	TIEA	7 Dec 2009	not yet in force	Yes	Yes
Saint Vincent and the Grenadines	TIEA	7 Dec 2009	not yet in force	Yes	Yes
San Marino	DTC	21 Dec 2005	25 Jun 2007	Yes	Yes
Senegal	DTC	29 Sep 1987	4 Feb 1993	Unreviewed	No
Serbia	DTC	21 Nov 1980	26 May 1983	Unreviewed	No
Seychelles	DTC	27 Apr 2006	not yet in force	Yes	No
Singapore	DTC	6 Nov 2006	27 Nov 2008	Yes	Yes
Slovakia	DTC	15 Jan 1997	13 Jun 2000	Yes	No
Slovenia	DTC	22 Jun 1998	2 Oct 2002	Yes	No
South Africa	DTC	1 Feb 1995	10 Oct 1998	Yes	No
Spain	DTC	14 Jun 1995	25 Jun 2003	Yes	No
Sri Lanka	DTC	3 Feb 1983	12 Jun 1985	Unreviewed	No

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Sweden	DTC	5 Feb 1991	24 Feb 1993	Yes	No
Switzerland	DTC	28 Aug 1978	26 Sep 1980	No	No
Tajikistan	DTC	10 Feb 2009	not yet in force	No	Yes
Tajikistan	DTC	17 Dec 1987	8 Jan 1991	Unreviewed	No
Thailand	DTC	16 Oct 1978	28 Dec 1980	Unreviewed	No
Tunisia	DTC	7 Oct 2004	5 Jun 2009	Unreviewed	No
Turkey	DTC	2 Jun 1987	8 Oct 1991	Yes	No
Turkmenistan	DTC	17 Dec 1987	8 Jan 1991	No	No
Uganda	DTC	27 Jul 2007	not yet in force	Unreviewed	No
Ukraine	DTC	20 May 1996	25 Feb 1999	Unreviewed	No
United Arab Emirates	DTC	30 Sep 1996	6 Jan 2004	Yes	No
United Kingdom	DTC	1 Jun 1987	21 Oct 1989	Yes	Yes
United States	DTC	27 Nov 2006	28 Dec 2007	Yes	Yes
Uruguay	DTC	23 Aug 2013	not yet in force	Unreviewed	Yes
Uzbekistan	DTC	14 Nov 1996	8 Jul 1999	Unreviewed	No
Venezuela	DTC	22 Apr 1993	13 Nov 1998	Unreviewed	No
Viet nam	DTC	28 Feb 1996	25 Jun 1999	Unreviewed	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 PKF International)

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