

Luxembourg

RISK & COMPLIANCE REPORT

DATE: January 2017

Executive Summary - Luxembourg

Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	US Dept of State Money Laundering assessment Offshore Finance Centre Compliance of OECD Global Forum's information exchange standard
Major Investment Areas: Agriculture - products: grapes, barley, oats, potatoes, wheat, fruits; dairy and livestock products Industries: banking and financial services, iron and steel, information technology, telecommunications, cargo transportation, food processing, chemicals, metal products, engineering, tires, glass, aluminum, tourism Exports - commodities: machinery and equipment, steel products, chemicals, rubber products, glass Exports - partners: Germany 21.6%, France 15.5%, Belgium 14.5%, UK 5.8%, Italy 5.6%, Switzerland 4.7% (2012) Imports - commodities: minerals, metals, foodstuffs, quality consumer goods Imports - partners: Belgium 30.9%, Germany 23.4%, France 10.4%, US 8.2%, China 7.2%, Netherlands 5.1% (2012)	
Investment Restrictions: Information unavailable	

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Section 1 - Background

Founded in 963, Luxembourg became a grand duchy in 1815 and an independent state under the Netherlands. It lost more than half of its territory to Belgium in 1839 but gained a larger measure of autonomy. Full independence was attained in 1867. Overrun by Germany in both world wars, it ended its neutrality in 1948 when it entered into the Benelux Customs Union and when it joined NATO the following year. In 1957, Luxembourg became one of the six founding countries of the European Economic Community (later the European Union), and in 1999 it joined the euro currency area. In January 2013, Luxembourg assumed a nonpermanent seat on the UN Security Council for the 2013-14 term.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Luxembourg 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 Luxembourg was undertaken by the Financial Action Task Force (FATF) in 2010. According to that Evaluation, Luxembourg was deemed Compliant for 1 and Largely Compliant for 9 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 5 of the 6 Core Recommendations.

Key Findings from latest Mutual Evaluation follow-up (2014)

In February 2014, the FATF reviewed the progress made by Luxembourg in addressing the deficiencies identified in its 2010 mutual evaluation report. Luxembourg was placed in the regular follow-up process as a result of non-compliant (NC) and partially compliant (PC) ratings for twelve of the core and key Recommendations in its 2010 mutual evaluation report.

The FATF has concluded that Luxembourg has made significant process in addressing the deficiencies in the 2010 report and could be removed from the regular follow-up process.

Among the key measures taken by Luxembourg are the following:

Amending the AML/CFT regime with the introduction of new legislation with a view to:

- Reinforcing the legal framework for AML/CFT
- Addressing the deficiencies of the terrorist financing offence
- Introducing criminal liability for legal persons
- Adopting Grand-Ducal Regulations, and other Regulations to implement the provisions of the AML/CFT Regime

US Department of State Money Laundering assessment (INCSR)

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

Key Findings from the report are as follows: -

Perceived Risks:

Despite its standing as the second-smallest member of the EU, Luxembourg is one of the largest financial centers in the world. It also operates as an offshore financial center. Although there are a handful of domestic banks operating in the country, the majority of banks registered in Luxembourg are foreign subsidiaries of banks in Germany, Belgium, France, Italy, and Switzerland. While Luxembourg is not a major hub for illicit narcotics distribution, the size and sophistication of its financial sector create opportunities for money laundering, tax evasion, and other financial crimes.

Hundreds of well-known multinationals have secured deals in Luxembourg that allow them to legally slash their taxes in their home countries. In some cases the Luxembourg subsidiaries of multinationals, that on paper handle hundreds of millions of dollars in business, maintain only a token presence or a simple front address. While corporate tax avoidance is technically legal, in many jurisdictions tax evasion is illegal and a predicate offense for money laundering. The international standards include tax crimes as designated predicate crimes for money laundering.

The Luxembourg Freeport is a highly secure warehouse adjacent to Luxembourg Findel Airport. It offers a variety of tax advantages because the goods warehoused are technically in transit. The Freeport is often used to store art and other valuable items without having to pay customs or sales tax. The services and confidentiality make the Freeport similar to an offshore financial center. With the Law of 24 July 2015, the licensed operators of the Luxembourg Freeport are now subject to the same know-your-customer obligations as apply to all other covered entities under the Law of 12 November 2004. The Law of 24 July 2015 also provides that the licensed operators of the Luxembourg Freeport are supervised by the Luxembourg Administration for Indirect Taxation regarding their AML/CFT obligations.

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: Combination approach

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: Banks and payment institutions; investment, tax, and economic advisers; brokers, custodians, and underwriters of financial instruments; commission agents, private portfolio managers, and market makers; managers and distributors of units/shares in undertakings for collective investments (UCIs); financial intermediation firms, registrar agents, management companies, trust and company service providers, and operators of a regulated market authorized in Luxembourg; foreign exchange cash operations; debt

recovery and lending operations; pension funds and mutual savings fund administrators; corporate domiciliation agents, company formation and management services, client communication agents, and financial sector administrative agents; primary and secondary financial sector IT systems and communication network operators; insurance brokers and providers; management companies for reinsurance undertakings or insurance captives, run-off management companies, actuarial service providers, insurance portfolio managers, governance service providers, and insurance claim handlers; auditors, accountants, notaries, and lawyers; casinos and gaming establishments; real estate agents; high-value goods dealers; and the licensed operators of the Luxembourg Freeport

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 10,423: January 1 - November 30, 2015

Number of CTRs received and time frame: Not applicable

STR covered entities: Banks and payment institutions; investment, tax, and economic advisers; brokers, custodians, and underwriters of financial instruments; commission agents, private portfolio managers, and market makers; managers and distributors of units/shares in UCIs; financial intermediation firms, registrar agents, management companies, trust and company service providers, and operators of a regulated market authorized in Luxembourg; foreign exchange cash operations; debt recovery and lending operations; pension funds and mutual savings fund administrators; corporate domiciliation agents, company formation and management services, client communication agents, and financial sector administrative agents; primary and secondary financial sector IT systems and communication network operators; insurance brokers and providers; management companies for reinsurance undertakings or insurance captives, run-off management companies, actuarial service providers, insurance portfolio managers, governance service providers, and insurance claim handlers; auditors, accountants, notaries, and lawyers; casinos and gaming establishments; real estate agents; high-value goods dealers; and the licensed operators of the Luxembourg Freeport

money laundering criminal Prosecutions/convictions:

Prosecutions: 486: January 1 - November 30, 2015

Convictions: 257: January 1 - November 30, 2015

Records exchange mechanism:

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

With other governments/jurisdictions: YES

Luxembourg is a member of the FATF.

Enforcement and implementation issues and comments:

During 2015, Luxembourg continued to strengthen its AML/CFT system with the adoption of new legislation and the implementation of its AML/CFT framework. The Law of 24 July 2015 extends the scope of the Law of 12 November 2004 on the fight against money laundering

and terrorist financing to include the licensed operators of the Luxembourg Freeport. On December 16, 2015 Parliament adopted Bill of Law N°6761 to implement UNSCR 2178, extending the money laundering offense to include the financing of incitation, recruitment, and training for terrorist purposes.

In 2015, the Supervisory Authority of the Financial Sector, the CSSF conducted 29 onsite AML/CFT inspections. The Supervisory Authority of the Insurance Sector (CAA) performed 25 on-site visits involving AML/CFT compliance checks (16 of life insurance companies and nine of insurance brokers). The choice of inspection subjects was based on the professionals' risk profile or other relevant data from desk-based supervision. In 2015, the CAA issued circular letter 15/8 on the adoption of the Life Insurance Charter of Quality which sets common principles in terms of combating money laundering and terrorist financing. Insurance undertakings have to comply with this charter or provide explanations to the CAA as to why they refrain from subscribing. The CAA also met with professionals of the insurance sector to discuss the AML/CFT risk assessment of the sector.

In 2015, the Administration for Indirect Taxes (AIT), the supervisory authority of designated non-financial businesses and professions not supervised by self-regulatory organizations also became the supervisory authority for all licensed operators of the Luxembourg Freeport. AIT teams conducted 40 AML/CFT onsite inspections of its supervised entities. In addition, the AIT organized in-house AML/CFT courses for all its agents during 2015 and AML/CFT outreach to the private sector through a dedicated committee.

The FIU continued to organize outreach to covered entities and to hold AML/CFT training jointly with other supervisory agencies and self-regulatory organizations. In 2015, the FIU also contributed to the completion of a project aiming to intensify the cross-border cooperation among European FIUs. The FIU was one of the leaders on this project.

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

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

Record Large Transactions - By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.

EU White list of Equivalent Jurisdictions

Luxembourg is currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Luxembourg is considered to be an Offshore Financial Centre

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

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

Luxembourg is a destination country for men, women, and children, who are subjected to sex trafficking and forced labor. Victims of sex trafficking from Europe, Africa, Asia, and South America are reportedly forced into prostitution in cabarets, private apartments, and on the street. Forced labor, sometimes involving Chinese or Eastern or Southern European men, women, and children, occurs in various sectors, including restaurants and construction. Additionally, traffickers reportedly transport an unknown number of Roma children from neighboring countries during the daytime to engage in forced begging in Luxembourg. Groups vulnerable to trafficking include migrant workers in domestic work, catering, construction, and begging, as well as unaccompanied foreign children, and people in Luxembourg's legal and illegal sex trade.

The Government of Luxembourg fully complies with the minimum standards for the elimination of trafficking. Longstanding concerns, including lenient punishment for trafficking offenders, the lack of a multidisciplinary approach to victim identification, and the absence of awareness campaigns continued during the reporting period. However, in March, Luxembourg issued a new Grand Ducal Decree (equivalent to an Executive Order) and Parliament passed a law transposing EU Directive 2011/36/EU into national legislation. These two legislative acts provide the basis for future improvements in Luxembourg's anti-trafficking efforts.

International Sanctions

None Applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index - 2013	81
World Governance Indicator – Control of Corruption - 2013	97

Section 3 - Economy

This small, stable, high-income economy - benefiting from its proximity to France, Belgium, and Germany - has historically featured solid growth, low inflation, and low unemployment. The industrial sector, initially dominated by steel, has become increasingly diversified to include chemicals, rubber, automobile components, and other products. Growth in the financial sector, which now accounts for about 36% of GDP, has more than compensated for the decline in steel. Most banks are foreign-owned and have extensive foreign dealings, but Luxembourg has lost some of its advantages as a favorable tax location because of OECD and EU pressure. The economy depends on foreign and cross-border workers for about 40% of its labor force. Luxembourg, like all EU members, suffered from the global economic crisis that began in late 2008, but unemployment has trended below the EU average. Following strong expansion from 2004 to 2007, Luxembourg's economy contracted 3.6% in 2009, but rebounded in 2010-11 before slowing again in 2012. The country continues to enjoy an extraordinarily high standard of living - GDP per capita ranks among the highest in the world, and is the highest in the euro zone. Turmoil in the world financial markets and lower global demand during 2008-09 prompted the government to inject capital into the banking sector and implement stimulus measures to boost the economy. Government stimulus measures and support for the banking sector, however, led to a 5% government budget deficit in 2009. Nevertheless, the deficit was cut to 1.1% in 2011 and 0.9% in 2012. Even during the financial crisis and recovery, Luxembourg retained the highest current account surplus as a share of GDP in the euro zone, owing largely to their strength in financial services. Public debt remains among the lowest of the region although it has more than doubled since 2007 as percentage of GDP. Luxembourg's economy, while stable, grew slowly in 2012 due to ongoing weak growth in the euro area. Authorities have strengthened supervision of domestic banks because of their exposure to the activities of foreign banks.

Agriculture - products:

grapes, barley, oats, potatoes, wheat, fruits; dairy and livestock products

Industries:

banking and financial services, iron and steel, information technology, telecommunications, cargo transportation, food processing, chemicals, metal products, engineering, tires, glass, aluminum, tourism

Exports - commodities:

machinery and equipment, steel products, chemicals, rubber products, glass

Exports - partners:

Germany 21.6%, France 15.5%, Belgium 14.5%, UK 5.8%, Italy 5.6%, Switzerland 4.7% (2012)

Imports - commodities:

minerals, metals, foodstuffs, quality consumer goods

Imports - partners:

Belgium 30.9%, Germany 23.4%, France 10.4%, US 8.2%, China 7.2%, Netherlands 5.1% (2012)

Banking

Banking is the largest sector in the Luxembourg economy. The country has specialised in the cross-border fund administration business. As Luxembourg's domestic market is relatively small, the country's financial centre is predominantly international. At the end of March 2009, there were 152 banks in Luxembourg, with over 27,000 employees. Political stability, good communications, easy access to other European centres, skilled multilingual staff, a tradition of banking secrecy and cross-border financial expertise have all contributed to the growth of the financial sector. Germany accounts for the largest-single grouping of banks, with Scandinavian, Japanese, and major U.S. banks also heavily represented. Total assets exceeded €929 billion at the end of 2008. More than 9,000 holding companies are established in Luxembourg. The European Investment Bank—the financial institution of the European Union—is also located there.

Stock Exchange

Established in 1927, the Luxembourg Stock Exchange is today the principal centre for the listing of international securities. It currently lists around 45,000 securities, of which some 30,000 bonds issued by 3,500 issuers based in some 105 countries around the world. The second segment in order of importance is that of undertakings for collective investment, with more than 7,000 different instruments. This is followed by Global Depositary Receipts issued by companies based in countries that are moving towards industrialisation, such as India.

The Luxembourg Stock Exchange offers two markets to issuers: a market regulated by European rules and the Euro MTF market which enables non-European issuers who do not require a European passport nevertheless to obtain a listing in a recognised financial centre in Europe.

The Luxembourg Stock Exchange offers specialised media and data vending companies a range of information products that provide institutional and private investors with data on all 46,000 listed securities. This information is supplemented by data available via the portal of Finesti S.A., a company specialising in the collection, processing and dissemination of Luxembourg and European investment fund data that has been an integral part of the Luxembourg Stock Exchange since May 2002.

The Luxembourg Stock Exchange is a founding member of the World Federation of Stock Exchanges and the Federation of European Securities Exchanges.

Section 4 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

civil law system

International organization participation:

ADB (nonregional member), Australia Group, Benelux, BIS, CD, CE, EAPC, EBRD, ECB, EIB, EMU, ESA, EU, FAO, FATF, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IEA, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, NATO, NEA, NSG, OAS (observer), OECD, OIF, OPCW, OSCE, PCA, Schengen Convention, UN, UN Security Council (temporary), UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, UNRWA, UPU, WCO, WHO, WIPO, WMO, WTO, ZC

Section 5 - Tax

Exchange control



















There are no exchange control rules in Luxembourg.

Treaty and non-treaty withholding tax rates

Luxembourg has signed **81 agreements (81 DTC agreements)** providing for the exchange of information.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Albania	DTC	14 Jan 2009	not yet in force	No	No	
Armenia	DTC	23 Jun 2009	9 Apr 2010	Unreviewed	Yes	
Austria	DTC	18 Oct 1962	7 Feb 1964	Yes	Yes	
Azerbaijan	DTC	16 Jun 2006	2 Jul 2009	No	No	
Bahrain	DTC	6 May 2009	10 Nov 2010	Yes	Yes	
Barbados	DTC	1 Dec 2009	8 Aug 2011	Yes	Yes	
Belgium	DTC	17 Sep 1970	30 Dec 1972	Yes	Yes	
Brazil	DTC	8 Nov 1978	23 Jul 1980	No	No	
Bulgaria	DTC	27 Jan 1992	15 Mar 1994	Unreviewed	No	
Canada	DTC	10 Sep 1999	10 Oct 2000	No	No	
Canada	DTC Protocol	8 May 2012	not yet in force	Yes	Yes	
China	DTC	12 Mar 1994	28 Jul 1995	No	No	
Chinese Taipei	DTC	19 Dec 2011	not yet in force	Unreviewed	Yes	
Czech Republic	DTC	5 Mar 2013	not yet in force	Yes	Yes	
Czech Republic	DTC	18 Mar 1991	30 Dec 1992	No	No	
Denmark	DTC	17 Nov 1980	22 Mar 1982	Yes	Yes	
Estonia	DTC	23 May 2006	23 Jan 2007	Yes	No	
Finland	DTC	1 Mar 1982	27 Mar 1983	Yes	Yes	
Former Yugoslav Republic of Macedonia	DTC	16 May 2012	23 Jul 2013	Yes	Yes	
France	DTC	24 Nov 2006	27 Dec 2007	Yes	Yes	
Georgia	DTC	15 Oct 2007	14 Dec 2010	No	No	
Germany	DTC	23 Aug 1958	6 Jun 1960	Yes	Yes	
Germany	DTC	23 Apr 2012	30 Sep 2013	Yes	Yes	
Greece	DTC	22 Nov 1991	26 Aug 1995	Yes	No	
Guernsey	DTC	10 May 2013	not yet in force	Yes	Yes	
Hong Kong, China	DTC	2 Nov 2007	20 Jan 2009	Yes	Yes	
Hungary	DTC	15 Jan 1990	21 Apr 1991	Yes	No	
Iceland	DTC	4 Oct 1999	19 Sep 2001	Yes	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
India	DTC	2 Jun 2008	9 Jul 2009	Yes	No	
Indonesia	DTC	14 Jan 1993	10 Mar 1994	No	No	
Ireland	DTC	14 Jan 1972	25 Feb 1975	Yes	No	
Isle of Man	DTC	8 Apr 2013	not yet in force	Yes	Yes	
Israel	DTC	13 Dec 2004	22 May 2006	No	No	
Italy	DTC	3 Jun 1981	4 Feb 1983	Yes	No	
Italy	DTC Protocol	21 Jun 2012	not yet in force	Yes	Yes	
Japan	DTC	5 Mar 1992	27 Dec 1992	Yes	Yes	
Jersey	DTC	17 Apr 2013	not yet in force	Unreviewed	Yes	
Kazakhstan	DTC	26 Jun 2008	not yet in force	No	No	
Kazakhstan	DTC Protocol	3 May 2012	not yet in force	Unreviewed	Yes	
Korea, Republic of	DTC	7 Nov 1984	26 Dec 1986	Yes	Yes	
Kuwait	DTC	11 Dec 2007	not yet in force	No	No	
Lao People's Democratic Republic	DTC	4 Nov 2012	not yet in force	Unreviewed	Yes	
Latvia	DTC	14 Jun 2004	14 Apr 2006	Yes	No	
Liechtenstein	DTC	26 Aug 2009	17 Dec 2010	Yes	Yes	
Lithuania	DTC	22 Nov 2004	14 Apr 2006	Yes	No	
Malaysia	DTC	21 Nov 2002	2 Jul 2004	No	No	
Malta	DTC	29 Apr 1994	14 Feb 1996	Yes	Yes	
Mauritius	DTC	15 Feb 1995	12 Sep 1996	No	No	
Mexico	DTC	7 Feb 2001	27 Dec 2001	Yes	Yes	
Moldova, Republic of	DTC	11 Jul 2007	4 Dec 2009	No	No	
Monaco	DTC	27 Jul 2009	3 May 2010	Yes	Yes	
Mongolia	DTC	5 Jun 1998	12 Mar 2004	No	No	
Morocco	DTC	19 Dec 1980	16 Feb 1984	No	No	
Netherlands	DTC	8 May 1968	20 Oct 1969	Yes	Yes	
Norway	DTC	6 May 1983	27 Jan 1985	Yes	Yes	
Panama	DTC	7 Oct 2010	1 Nov 2011	Unreviewed	Yes	
Poland	DTC	14 Jun 1995	31 Jul 1996	Yes	Yes	
Portugal	DTC	25 May 1999	30 Dec 2000	Yes	Yes	
Qatar	DTC	3 Jul 2009	9 Apr 2010	Yes	Yes	
Romania	DTC	14 Dec 1993	8 Dec 1995	Unreviewed	Yes	
Russian Federation	DTC	28 Jun 1993	7 May 1997	Yes	Yes	
San Marino	DTC	27 Mar 2006	29 Dec 2006	Yes	Yes	
Saudi Arabia	DTC	7 May 2013	not yet in force	Unreviewed	Yes	
Seychelles	DTC	4 Jun 2012	19 Aug 2013	Yes	Yes	
Sierra Leone	DTC	9 Oct 2013	not yet in force	Unreviewed	Yes	
Singapore	DTC	6 Mar 1993	24 May 1996	No	No	
Slovakia	DTC	18 Mar 1991	30 Dec 1992	Yes	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Slovenia	DTC	2 Apr 2001	8 Dec 2002	Yes	No	
South Africa	DTC	23 Nov 1998	8 Sep 2000	No	No	
Spain	DTC	3 Jun 1986	19 May 1987	Yes	Yes	
Sri Lanka	DTC	30 Jan 2013	not yet in force	Unreviewed	Yes	
Sweden	DTC	14 Oct 1996	15 Mar 1998	Yes	Yes	
Switzerland	DTC	21 Jan 1993	9 Feb 1994	Yes	Yes	
Tajikistan	DTC	9 Jun 2011	27 Jul 2013	Unreviewed	Yes	
Thailand	DTC	6 May 1996	22 Jul 1998	No	No	
Trinidad and Tobago	DTC	7 May 2001	22 Nov 2003	No	No	
Tunisia	DTC	27 Mar 1996	18 Oct 1999	No	No	
Turkey	DTC	9 Jun 2003	18 Jan 2005	Yes	Yes	
Ukraine	DTC	6 Sep 1997	not yet in force	No	No	
United Arab Emirates	DTC	20 Nov 2005	19 Jun 2009	No	No	
United Kingdom	DTC	24 May 1967	3 Jul 1968	Yes	Yes	
United States	DTC	3 Apr 1996	20 Dec 2000	No	No	
United States	DTC Protocol	20 May 2009	not yet in force	Yes	Yes	
Uzbekistan	DTC	2 Jul 1997	1 Sep 2000	No	No	
Viet nam	DTC	4 Mar 1996	19 May 1996	No	No	

Methodology and Sources

Section 1 - General Background Report and Map

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

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
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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