

The Netherlands

RISK & COMPLIANCE REPORT

DATE: March 2017

Executive Summary - Netherlands

Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	US Dept of State Money Laundering Assessment
<p>Major Investment Areas:</p> <p>Agriculture - products: grains, potatoes, sugar beets, fruits, vegetables; livestock</p> <p>Industries: agroindustries, metal and engineering products, electrical machinery and equipment, chemicals, petroleum, construction, microelectronics, fishing</p> <p>Exports - commodities: machinery and equipment, chemicals, fuels; foodstuffs</p> <p>Exports - partners: Germany 26.3%, Belgium 14.1%, France 8.8%, UK 8%, Italy 4.5% (2012)</p> <p>Imports - commodities: machinery and transport equipment, chemicals, fuels, foodstuffs, clothing</p> <p>Imports - partners: Germany 13.9%, China 12%, Belgium 8.4%, UK 6.7%, Russia 6.4%, US 6.1% (2012)</p>	
<p>Investment Restrictions:</p> <p>The Netherlands' trade and investment policy is among the most open in the world, with combined merchandise exports and imports exceeding GDP.</p> <p>FDI is concentrated in growth sectors including information and communication technology (ICT), biotechnology, medical technology, electronic components, and</p>	

machinery and equipment. Investment projects are predominantly in value-added logistics, machinery and equipment, and (luxury) foods.

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Section 1 - Background

The Dutch United Provinces declared their independence from Spain in 1579; during the 17th century, they became a leading seafaring and commercial power, with settlements and colonies around the world. After a 20-year French occupation, a Kingdom of the Netherlands was formed in 1815. In 1830 Belgium seceded and formed a separate kingdom. The Netherlands remained neutral in World War I, but suffered invasion and occupation by Germany in World War II. A modern, industrialized nation, the Netherlands is also a large exporter of agricultural products. The country was a founding member of NATO and the EEC (now the EU) and participated in the introduction of the euro in 1999. In October 2010, the former Netherlands Antilles was dissolved and the three smallest islands - Bonaire, Sint Eustatius, and Saba - became special municipalities in the Netherlands administrative structure. The larger islands of Sint Maarten and Curacao joined the Netherlands and Aruba as constituent countries forming the Kingdom of the Netherlands.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

The Netherlands 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 The Netherlands was undertaken by the Financial Action Task Force (FATF) in 2011. According to that Evaluation, The Netherlands was deemed Compliant for 6 and Largely Compliant for 22 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 2 of the 6 Core Recommendations.

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

In February 2014, the FATF recognised that the Netherlands had made significant progress in addressing the deficiencies identified in the 2011 mutual evaluation report and should be removed from the regular follow-up process. The Netherlands was placed in the regular follow-up process as a result of partially compliant (PC) ratings for certain core and key Recommendations in its mutual evaluation report of February 2011.

The February 2014 follow-up report contains a detailed description and analysis of the actions taken by the Netherlands in respect of the core and key Recommendations rated PC in the 2011 mutual evaluation report.

Since the adoption of its mutual evaluation report in 2011, the Netherlands has focused its attention on:

- Strengthening the preventive AML/CFT legislative framework with the amendment of the Money Laundering and Terrorist Financing Prevention Act (*Wet ter Voorkoming van Witwassen en Financiëren van Terrorisme [WWFT]*), in particular in relation to the following preventive measures and the financial intelligence unit:
 - A range of Customer Due Diligence requirements, including beneficial ownership requirements;
 - The suspicious transaction reporting requirement;
 - The protection from criminal and civil liability for entities filing suspicious transaction reports;
 - The exchange of information between supervisors, and
 - The legal framework for the financial intelligence unit.

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- The amendment of the Criminal Code to introduce an autonomous terrorist financing offence.
- The Dutch Ministry of Finance and the four statutory AML/CFT supervisors issued and further updated guidance material with the aim to assist institutions with their implementation of the amended WWFT and the Sanctions Act.

The annex to the 2nd follow-up report is based on a report from the Netherlands on actions taken to address the deficiencies related to the other (non-core/key) Recommendations rated PC or NC in the MER. The information in this Annex was presented for information and was not discussed or approved by the FATF Plenary.

US Department of State Money Laundering assessment (INCSR)

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

OVERVIEW

The Netherlands is a major financial center and, consequently, an attractive venue for laundering funds generated from illicit activities, including those related to the sale of cocaine, cannabis, or synthetic and designer drugs, such as ecstasy. The Netherlands has a prosperous and open economy, which depends heavily on foreign trade.

Six islands in the Caribbean fall under the jurisdiction of the Kingdom of the Netherlands: Bonaire, St. Eustatius, and Saba are special municipalities of the Netherlands; Aruba, Curacao, and St. Maarten are countries within the Kingdom. The Netherlands provides supervision for the courts and for combating crime and drug trafficking within the Kingdom.

VULNERABILITIES AND EXPECTED TYPOLOGIES

Financial fraud, especially tax evasion, is believed to generate a considerable portion of domestic money laundering activity. There are a few indications of syndicate-type structures in organized crime and money laundering, but there is virtually no black market for smuggled goods in the Netherlands. Few border controls exist within the Schengen Area of the EU and, although Dutch authorities run special operations in the border areas with Germany and Belgium and in the Port of Rotterdam to minimize smuggling, Netherlands-based drug trafficking organizations continue to exploit Schengen to facilitate cross-border crime. These networks often utilize Belgium and Germany to ship narcotics to the United States and other destinations in an attempt to conceal their activities. Underground remittance systems, such as hawala, operate in the Netherlands. Cybercurrencies are increasingly being used by criminal networks to facilitate illegal activity.

KEY AML LAWS AND REGULATIONS

The Government of the Netherlands continues to correct noted deficiencies and to make progress in improving its AML regime. On January 1, 2015, rules entered into force that raise the maximum prison sentence for money laundering and broaden the definition of corruption to include bribery of financial service providers. Laws now require compliance with KYC and STR regulations by pawnshops and brokers in high-value goods. The new legislation introduces more stringent rules on audit and compliance for trusts and asset administration companies. On March 1, 2015, the National Prosecutor's Office issued new guidelines for prosecuting money laundering cases. The Netherlands will implement the EU's Fourth Anti-Money Laundering Directive (AMLD) in 2017.

The Netherlands has comprehensive KYC and STR regulations. There is a MLAT between the Netherlands and the United States.

The Netherlands is a member of the FATF.

AML DEFICIENCIES

The Dutch FIU enjoys an international reputation for professionalism. The FIU is an independent, autonomous entity under the National Police Unit. It is expected that the ongoing National Police's reorganization, scheduled for completion in 2018, will enhance the flexibility and effectiveness of law enforcement in responding to money laundering cases. The police closely cooperate with the Dutch Tax Authority's investigative service. The Anti-Money Laundering Center, established in 2013, combines expertise from government agencies, such as the FIU, the National Police, and the Tax Authority; knowledge institutions; private sector partners; and international organizations. Seizing financial assets of criminals continues to be a priority for law enforcement.

The Netherlands should make available the number of its prosecutions and convictions.

ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

The Netherlands utilizes an "unusual transaction" reporting system. Designated entities are required to file unusual transaction reports (UTRs) with the FIU on any transaction that appears "unusual" (applying a broader standard than "suspicious"), or when there is reason to believe a transaction is connected with money laundering. The FIU analyzes UTRs and forwards them to law enforcement for criminal investigation. Once the FIU forwards the report, the report is then classified as a STR. The Netherlands does not require all covered entities to report all transactions in currency above a fixed threshold. Instead, different thresholds apply to various specific transactions, products, and sectors. The Dutch Prosecutor's Office secured 1,168 criminal convictions for money laundering in 2015.

In 2015, Dutch law enforcement authorities arrested a number of individuals offering a guaranteed anonymous exchange of large amounts of bitcoins in exchange for currency (euros). Because of the suspect nature of the origin of the bitcoins, the exchange service charged a higher commission rate. This investigation is ongoing.

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

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

EU White list of Equivalent Jurisdictions

The Netherlands 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

The Netherlands is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2017 (introduction):

The Netherlands is a significant transit country for illicit drugs, especially cocaine, entering through the port of Rotterdam. The Netherlands remains an important producer of synthetic drugs, primarily MDMA (ecstasy), of which the majority is believed to be exported. Most large-scale production is tied to outlaw motorcycle gangs. The volume of Internet-facilitated trafficking of synthetic drugs has increased significantly. Usage of new psychoactive substances is generally low, except for 4-fluoramphetamine and phenylethylamine.

The Dutch Opium Act prohibits the possession, commercial distribution, production, import, and export of all illicit drugs. The act distinguishes between “hard” drugs (e.g., heroin, cocaine, ecstasy), and “soft” drugs (cannabis products). Sales of less than five grams of cannabis products are “tolerated” (illegal but not prosecuted) in regulated establishments called “coffee shops.”

The Dutch government encourages local governments to implement a residency requirement that limits coffee shop purchases to residents of the Netherlands. Enforcement is a local matter, with most municipalities adhering to this requirement, except in a few cities, including Amsterdam.

In 2015, the Opium Act was amended to criminalize facilitation and preparation of cannabis cultivation, effectively banning stores that specialize in products used to cultivate cannabis, such as grow lights. The law is still under judicial review.

In June, Dutch authorities in the port of Rotterdam discovered four metric tons (MT) of cocaine in a shipment from Costa Rica, constituting the port’s second largest cocaine interception. Overall in 2016, authorities seized 43 MT of cocaine destined for the Netherlands, including 14 MT at the country’s ports. Cocaine traffickers consider the Netherlands a reliable transportation hub. Passengers on flights from the Dutch Caribbean, Suriname, and Venezuela are subject to “100 percent screening” for drugs.

Dutch and U.S. law enforcement agencies maintain close operational cooperation, with principal attention given to South American cocaine-trafficking organizations and drug-related money laundering activities. The United States and the Netherlands have fully operational extradition and mutual legal assistance agreements.

The Royal Netherlands Navy patrols the Dutch Caribbean for counternarcotics operations. The Netherlands has a memorandum of understanding with the United States, which enables the deployment of U.S. Coast Guard Law Enforcement and Airborne Use of Force Detachments on Royal Netherlands Navy vessels to suppress illicit trafficking in the waters of the Caribbean. The Netherlands is a party to the Caribbean Regional Maritime Agreement and a partner in the U.S. Joint Interagency Task Force South. The Netherlands is a member of the Maritime Analysis and Operation Centre-Narcotics.

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

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

The Netherlands is a source, destination, and transit country for men, women, and children subjected to trafficking in persons, specifically forced prostitution and forced labor. A significant number of underage Dutch residents continued to be subjected to sex trafficking in the country. Identified trafficking victims primarily originated from within the Netherlands and from abroad, including from Romania, Hungary, Bulgaria, Nigeria, Guinea, Sierra Leone, China, the Philippines, and Vietnam in 2013; victims are also from other countries in Africa, Europe, and South and East Asia. Women and children are primarily subjected to sex trafficking, and men and boys are subjected to various forms of forced labor, including in the maritime sector, agriculture, horticulture, catering, food processing, and cleaning. Some victims were forced to commit crimes, including illegal narcotics trafficking. Domestic workers employed in the Netherlands remain vulnerable to forced labor, including by foreign diplomats posted there. Groups vulnerable to trafficking include unaccompanied children seeking asylum, women with dependent residence status obtained through fraudulent or forced marriages, women recruited in Africa and Eastern Europe, and East Asian women working in massage parlors.

The Government of the Netherlands fully complies with the minimum standards for the elimination of trafficking. The government further institutionalized the role of its independent national anti-trafficking rapporteur and established a statutory basis for the position in Dutch law; it also continued to implement a multi-disciplinary approach to its trafficking problem through its national-level taskforce. It continued to mobilize a range of governmental, non-governmental, and private entities to proactively identify trafficking victims and increased its conviction rate on trafficking defendants. Trafficking experts reported deficiencies in the government's identification and response to underage domestic trafficking victims, and victim advocates noted concerns about the government's pilot project linking the reflection period with a viable investigation or prosecution, noting potential detrimental effects on victim protection.

US State Dept Terrorism Report 2015

Overview: The Netherlands continued to respond effectively to the global terrorist threat in the areas of border and transportation security, counterterrorism financing, countering violent extremism, and bilateral and multilateral counterterrorism cooperation. In its March 2013 quarterly terrorism threat assessment, the Office of the National Coordinator for Security and Counterterrorism (NCTV) raised the national threat level from "limited" to "substantial" (the second highest rank), where it remained through 2015. The main factor for elevating the threat level was the uptick in the number of Dutch nationals travelling to conflict areas, especially Syria, as foreign terrorist fighters. In 2014, the Dutch government released a *Comprehensive Action Program to Combat Jihadism* that included both existing and proposed measures to halt the flow of foreign terrorist fighters to Syria and elsewhere. The plan focused on risk reduction, travel intervention, disruption of recruiters, countering

radicalization, addressing the use of social media, and information exchange and cooperation. The government announced on February 27, 2015, an additional investment of nearly US \$144 million annually for the fight against terrorism.

The Netherlands is implementing UN Security Council Resolution (UNSCR) 2178 to prevent aspiring foreign terrorist fighters from leaving the country. Measures include dismantling recruiting networks, preventing extremist imams from speaking at mosques, requesting internet hosting companies to remove online extremist content, and revoking passports. As of November 2015, 150 passports of potential foreign terrorist fighters have been revoked. The government has pursued criminal cases against prospective and returned foreign terrorist fighters and against foreign terrorist fighter recruiters. The government's strategy to counter Islamic State of Iraq and the Levant (ISIL) propaganda has a domestic focus: supporting opposing voices in the affected communities and suggesting to internet providers that they compare content of sites to their terms of use (Notice and Take Action).

The Netherlands is a member of the Global Coalition to Counter ISIL, and has a liaison embedded in CENTCOM, which coordinates the mission. The Netherlands has conducted air strikes and contributed military personnel and trainers in Iraq. The Netherlands and Turkey co-chair the Coalition's Foreign Terrorist Fighters Working Group.

Legislation, Law Enforcement, and Border Security: The Netherlands continued to use counterterrorism legislation and legislation that supplements the criminal code to address terrorism. On November 27, the government submitted four pieces of draft counterterrorism legislation to Parliament: 1) A law revoking citizenship, without a court ruling, of dual national foreign terrorist fighters who have joined a designated terrorist organization; 2) A set of administrative penalties, including a travel ban and a contact ban, that the government can impose on persons suspected of terrorist activities; 3) A law resulting in automatic expiration of a person's passport and identity card when a travel ban is issued; and 4) A law governing cybersecurity, including online counterterrorism.

Draft legislation regarding the revocation of Dutch citizenship for dual citizens after a conviction for preparing to commit a terrorist act was awaiting further deliberation in the First Chamber (Senate) at year's end.

Government agencies countering terrorism include the national police; the prosecutor's office; local governments (the mayor being responsible for public order); the National Coordinator Counterterrorism and Security (which coordinates all counterterrorism policy); the General Intelligence and Security Service (AIVD); and the Ministries of Security & Justice, Interior and Kingdom Relations, Foreign Affairs, Social Affairs and Employment; and Defense. Since 2013, the national police organization has been undergoing a nationwide restructuring, which is expected to improve police's operational capacity and effectiveness. This operation has suffered significant setbacks, however, and in August 2015, the government extended the program deadline to 2018 and doubled the appropriated funding. High priority is placed on community policing and the first-line role of local police officers. Within the national police organization, the Central Criminal Investigations Service is the specialized counterterrorism unit. The National Prosecutor's Office also has dedicated counterterrorism prosecutors.

The Netherlands has continued to strengthen its border security. Dutch ports of entry have biographic and biometric screening capabilities, and the government maintains a national terrorist watchlist of persons and organizations that are under economic sanctions. The government coordinates and freely shares information related to foreign terrorist fighters with INTERPOL and EUROPOL. The Netherlands collects Advance Passenger Information (API) data for flights coming from selected points of embarkation outside the EU.

The Netherlands remained strongly committed to effective cooperation with the United States on border security. The Port of Rotterdam was the first European port to participate in the Container Security Initiative (CSI); in 2014 the two governments held discussions to have CSI go from a WMD-focused initiative to incorporate all threats.

Significant law enforcement actions related to counterterrorism included:

- On February 9, a district court acquitted two men of preparing to commit terrorist acts, conspiring to commit terrorist acts, and preparing to commit violent acts (such as murder and arson). The two men were arrested while traveling to Turkey and Syria in 2014. The prosecutor argued they planned to join the conflict in Syria, but the suspects claimed they wanted to vacation in Turkey and provide humanitarian assistance in Syria. Both men had a brother fighting in Syria. The prosecutor has filed an appeal.
- On March 20, authorities in Tilburg arrested a 30-year-old man for trying to recruit young asylum seekers to join ISIL. The prosecutor doesn't believe he successfully enticed any new fighters. The suspect was also charged with money laundering and was arrested in 2014 at Schiphol airport carrying US \$65,165 in cash and army clothing traveling to Yemen. His case was pending trial at the end of 2015.
- On April 30, a Court of Appeals sentenced five members of the Dutch chapter of the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers. The five persons (aged between 43 and 60) were convicted of participation in a terrorist organization, having a leadership position in the Dutch chapter of LTTE, and raising funds for LTTE (often through coercion). The suspects were acquitted of recruitment, extortion, and incitement. The prosecutor appealed the incitement ruling. The prison sentences range from nineteen months to six years and three months, slightly higher than the 2011 district court ruling.
- On June 8, a district court convicted a returned foreign terrorist fighter of preparing to commit crimes with terrorist intent and possession of weapons. He was arrested as he was on his way to commit a robbery, the proceeds of which were intended for foreign terrorist fighters in Syria. The sentence was four years in prison.
- On July 27, a district court sentenced a woman to six months in prison for financially supporting the Islamic Jihad Union (totaling US \$2,172). The court acquitted her of the charges of participation in a terrorist organization and membership in a terrorist organization. Her conviction remained under appeal through the end of 2015.
- On September 8, a district court acquitted a man for preparing to commit an ISIL-inspired attack against Amsterdam police officers and/or the U.S. Embassy. The court ruled that the man, a Moroccan national who was in the country illegally, would not have followed through on his threats. The prosecutor filed for an appeal.
- On November 30, authorities in The Hague arrested an 18-year-old man from Syria for involvement with a terrorist organization. The man had arrived in the Netherlands in October as a migrant.

- On December 10, a district court convicted nine persons for various levels of participation in a criminal organization with terrorist intent and/or incitement to violence. Some suspects were also convicted of other charges. The sentences ranged from seven days to six years in prison. One suspect had returned from Syria, while two were still in the conflict zone and tried in absentia. A tenth suspect reportedly died in Syria; his case was pending trial at year's end.

Countering the Financing of Terrorism: The Netherlands has been a member of the Financial Action Task Force (FATF) since 1990, and is one of the Cooperating and Supporting Nations of the Caribbean Financial Action Task Force, a FATF-style regional body. A legislative proposal to simplify the termination of social security payments, social subsidies, and government student loans for suspected foreign terrorist fighters was undergoing consultations at year's end. Under the proposed law, payments can be stopped as soon as a person is discovered to have joined a terrorist organization. The European Commission sets many rules for countering terrorism finance in directives that EU member states then implement via national legislation. At the end of 2015, The Netherlands was working to implement the Fourth Money Laundering Directive, presented on May 20. The Netherlands cooperated with the United States in designating terrorist organizations and individuals as well as interdicting and freezing assets. The Netherlands participated in the counterterrorism financing working group of the Counter-ISIL Coalition.

Dutch authorities monitor financial transactions and freeze the assets of persons on terrorist watchlists. Assets are frozen immediately when an individual or entity receives a UN designation. The Netherlands also uses EU listings and its own national designations in determining whether to freeze assets. The list of individuals or entities is made public, but information on the amount of assets frozen or seized is not. As of December 2015, the assets of 37 individuals and three organizations were frozen. Of the 37 individuals, 19 were added in 2015. In July, a district court convicted a woman for financially supporting a terrorist organization.

Non-profit organizations may choose to apply to a private entity for a "seal of approval" certification for their financial transactions. Law enforcement can access this entity's data based on court order. The FATF concluded that the requirements that have to be met in order to obtain this "seal of approval" are stringent. These requirements include knowing donors and beneficiaries and having safeguards to make sure directors and employees do not have a conflict of interests.

Countering Violent Extremism: CVE is integrated into the Dutch government's approach to terrorism. The government's strategy on CVE is the August 2014 *Comprehensive Action Program to Combat Jihadism*, which contains eight existing and proposed measures specifically focused on detecting radicalization and preventing new people from becoming foreign terrorist fighters. These include increased cooperation with Muslim communities, strengthening existing networks of local and national key figures, providing support to concerned citizens, supporting education institutions, setting up expert centers on social tensions and radicalization, directing actions at high-risk areas, mobilizing societal opposition and enhancing resilience against radicalization and tensions, and stimulating social debate about the values of democracy such as rule of law. The *Comprehensive Action Program* also addresses combating pro-violent extremist content on social media and the internet.

Local governments are responsible for countering radicalization with support, such as tools and training, provided by the NCTV. Many major cities are investing heavily in training local professionals. On September 8, the national government announced its intent to invest more than US \$4,345,200 in nine local governments that face a disproportionately large population of potential violent extremists. Furthermore, in 2015, the government created a Social Stability Experts Unit, which assists local governments and communities in CVE, a Family Support Point for Radicalization, which assists parents and family members of radicalizing individuals, and an Exit Facility, which offers a “way out” for radicals who want to re-integrate.

The Netherlands creates tailored programs for violent extremist individuals and focuses on identification, de-radicalization, and prosecution. Returned foreign terrorist fighters undergo a threat assessment by the government; some returnees are prosecuted. The Netherlands also attempts to rehabilitate and reintegrate some returned foreign terrorist fighters into mainstream society. The government works with partners which include, but are not limited to: police, the public prosecutor’s office, youth care, and child protection services. Various local governments work with NGOs to develop and implement CVE policy. Interventions on radicalizing individuals remain case-specific and vary in intensity and design.

International and Regional Cooperation: The Netherlands continued to seek bilateral, regional, multilateral, and international opportunities for exchanging information and experience on security, counterterrorism, and foreign terrorist fighter issues. In 2015, the Netherlands succeeded the United States as co-chair of the Global Counterterrorism Forum (GCTF) and took over as host of the GCTF Administrative Unit. With Morocco, the Netherlands chairs the GCTF Working Group on Foreign Terrorist Fighters. The Netherlands is on the governing board of the three GCTF-inspired institutions; the International Center of Excellence for Countering Violent Extremism “Hedayah” in Abu Dhabi, the International Institute for Justice and the Rule of Law in Malta, and the Global Community Engagement and Resilience Fund in Switzerland.

The Dutch participated in an informal EU core group of 11 member states that focused on foreign terrorist fighters. Within this group, the Netherlands chaired a working group that aims to develop and harmonize methods to ban extremist imams from entering the EU. The Dutch have taken a lead role in the EU to establish protocols to combat terrorism finance and provide funds to the IMF for assistance to countries that lack the resources to implement these measures expeditiously. The Dutch cooperated with EU and OSCE counterterrorism efforts and contributed to the counterterrorism work of the UN Office on Drugs and Crime. The government supported projects carried out by the UN Counter-Terrorism Committee Executive Directorate. The Netherlands participates in the Global Initiative to Combat Nuclear Terrorism.

The Netherlands continued to finance a wide variety of counterterrorism capacity building projects such as the organization Free Press Unlimited and the Center on Global Counterterrorism Cooperation’s program on rule of law and criminal justice capacity and cooperation in North Africa. The Dutch government continued to work with the International Centre for Counterterrorism – an independent think tank on counterterrorism issues, established in The Hague in 2010 with Dutch government encouragement.

International Sanctions

None applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	83
World Governance Indicator – Control of Corruption	95

Corruption and Government Transparency - Report by US State Department

The Netherlands fully complies with international standards on combating corruption. Transparency International ranked the Netherlands 8th on its 2013 Corruption Perception Index.

The Netherlands signed and ratified the UN Anticorruption Convention and is a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Anti-bribery legislation to implement the 1997 OECD Anti-Bribery Convention (ABC) became effective in 2001. The anti-bribery law reconciles the language of the ABC with the EU Fraud Directive and the Council of Europe Convention on Fraud. It makes corruption by Dutch businessmen in landing foreign contracts a criminal offense.

At a national level, the Ministry of the Interior and Kingdom Relations and the Ministry of Security and Justice have taken steps to enhance regulations to combat bribery in public procurement and in the issuance of permits and subsidies. Most companies have internal controls and/or codes of conduct that prohibit bribery.

Several agencies combat corruption. The National Integrity Office serves as a knowledge center, develops new instruments for tracking problems, and identifies trends on matters of integrity. The Independent Commission for Integrity in Government is an appeals board for whistleblowers in government and law enforcement agencies.

Section 3 - Economy

Netherlands is the sixth-largest economy in the euro-zone and is noted for its stable industrial relations, moderate unemployment and inflation, sizable trade surplus, and important role as a European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs only 2% of the labor force but provides large surpluses for the food-processing industry and for exports. Netherlands, along with 11 of its EU partners, began circulating the euro currency on 1 January 2002. The Dutch financial sector suffered as a result of the global financial crisis, due in part to the high exposure of some Dutch banks to US mortgage-backed securities. In 2008, the government nationalized two banks and injected billions of dollars of capital into other financial institutions, to prevent further deterioration of a crucial sector. After 26 years of uninterrupted economic growth, the Dutch economy - highly dependent on an international financial sector and international trade - contracted by 3.5% in 2009. To recover, the government sought to boost the domestic economy by accelerating infrastructure programs, offering corporate tax breaks for employers to retain workers, and expanding export credit facilities. The stimulus programs and bank bailouts, however, resulted in a government budget deficit of 5.3% of GDP in 2010 that contrasted sharply with a surplus of 0.7% in 2008. The government of Prime Minister Mark RUTTE began implementing austerity measures in early 2011, mainly reducing expenditures, which resulted in an improved budget deficit in 2011. However, in 2012 tax revenues dropped, GDP contracted, and the budget deficit deteriorated. In 2013, the government budget deficit decreased to 3.3% of GDP due to increased government revenue from higher taxes. However, spending on social benefits also increased, due to a rise in unemployment benefits and payments for pensions. The high unemployment rate and tax increases have contributed to continued decreases in household disposable income, causing the Dutch economy to contract.

Agriculture - products:

grains, potatoes, sugar beets, fruits, vegetables; livestock

Industries:

agroindustries, metal and engineering products, electrical machinery and equipment, chemicals, petroleum, construction, microelectronics, fishing

Exports - commodities:

machinery and equipment, chemicals, fuels; foodstuffs

Exports - partners:

Germany 26.3%, Belgium 14.1%, France 8.8%, UK 8%, Italy 4.5% (2012)

Imports - commodities:

machinery and transport equipment, chemicals, fuels, foodstuffs, clothing

Imports - partners:

Germany 13.9%, China 12%, Belgium 8.4%, UK 6.7%, Russia 6.4%, US 6.1% (2012)

Banking

Banking and financing are important service industries in the Netherlands providing funds for international as well as domestic trade. Three Dutch bank conglomerates - ABN Amro, Rabobank, and ING Bank, dominate the Dutch financial sector. They account for about 75 percent of total lending. International financial services providers in the Netherlands play on a level legal field. The Finance Ministry and Central Bank grant full national treatment to foreign banks.

According to the Finance Ministry, Dutch legislation implements all existing EU law and regulations on the provision of financial services. Foreign financial service providers face no special conditions or restrictions, and receive national treatment. However, one provision of the Dutch 1992 Banking Act does reflect the EU Banking Directive's "reciprocity" provision. The Finance Ministry says this section has never been used, and that all applications from non-EU parent banks are handled on a national treatment basis. Banking facilities for international transactions available in the Netherlands generally meet or exceed US standards.

Stock Exchange

The Amsterdam Stock Exchange is considered the oldest in the world. It was established in 1602 by the Dutch East India Company (Verenigde Oostindische Compagnie, or "VOC") for dealings in its printed stocks and bonds. It was subsequently renamed the Amsterdam Bourse and was the first to formally begin trading in securities.

The European Option Exchange (EOE) was founded in 1978 in Amsterdam as a futures and options exchange. In 1983 it started a stock market index, called the EOE index, consisting of the 25 largest companies that trade on the stock exchange.

In 1997 the Amsterdam Stock Exchange and the EOE merged, and its blue chip index was renamed AEX, for "Amsterdam EXchange". It is now managed by Euronext Amsterdam.

Dutch financial markets are fully developed and operate at market rates, facilitating the free flow of financial resources. The Netherlands is an international financial center for the foreign exchange market and for Eurobonds and bullion trade. The flexibility that foreign companies enjoy in conducting business in the Netherlands extends into the area of currency and foreign exchange. There are no restrictions on foreign investors' access to sources of local finance. In 2007, the New York Stock Exchange merged with Euronext, which also operates the Dutch exchange in Amsterdam. Dutch financial institutions have been hurt by the global credit crisis, leading to the nationalization of Dutch banking leader ABN Amro/Fortis and the

provision of capital injections and other support measures to other large financial institutions since October 2008, including the ING Group, SNS Bank, and insurance company Aegon.

Executive Summary

The Netherlands consistently ranks among the world's most competitive industrialized economies. It offers an attractive business and investment climate and remains a welcoming location for business investment from the United States and elsewhere.

Distinguishing strengths include the Netherlands' stable political and macroeconomic climate, a highly developed financial sector, strategic location, well-educated and productive labor force, and the high quality of its physical and communications infrastructure. Investments in the Netherlands take advantage of its highly competitive logistics industry, anchored by the largest port and fourth-largest airport in Europe. In telecommunications, the Netherlands has the highest internet penetration in the European Union (EU) and hosts the largest data transport hub in the world.

The Netherlands is the largest recipient and source of foreign direct investment in the world and the largest historical recipient of direct investment from the United States. This position partly reflects the Netherlands' competitive economy and a tax climate that many corporations find favorable. However, the majority of investment flows to the Netherlands are not ultimately destined for the Dutch market but rather pass through the Netherlands en route to another destination. Nonetheless, the Dutch economy is characterized by a high degree of foreign investment in a wide range of sectors including logistics, information technology, and manufacturing.

In the past year, the Dutch government has initiated significant reforms to labor market policy, the housing sector, the energy market, and the pension system. Reflecting common Dutch practice, these reform policies were crafted following close consultations with key stakeholders including business associations, labor unions, and civil society groups.

Following a protracted recession that ended in late 2013, the macroeconomic outlook in the Netherlands is modestly positive for 2014 and 2015. The Dutch government projects economic growth of 0.75 percent in 2014 and 1.25 percent in 2015. Projected drivers of growth include increased exports and growing business investments. Domestic consumption, which has been depressed due in large part to housing market weakness, will remain stagnant.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude Toward FDI

The Netherlands is the world's eighteenth largest economy and the fifth largest in the European Monetary Union (the Eurozone), with a gross domestic product (GDP) of over \$770 billion (€543 billion). According to the International Monetary Fund (IMF), the Netherlands is **the largest source and recipient for foreign direct investment (FDI)** in the world, though the Netherlands is not the ultimate beneficial destination for the majority of this investment. The government of the Netherlands maintains **liberal policies toward FDI** and adheres to Organization for Economic Cooperation and Development (OECD) investment codes and guidelines.

The Netherlands is the recipient of 8 percent of all FDI inflow into the EU. It is the single largest recipient of American foreign direct investment, at 14.5 percent of all U.S. FDI abroad on a historical cost basis as of 2012. The Netherlands has become a key export platform and pan-regional distribution hub for U.S. firms. Roughly 60 percent of total U.S. foreign affiliate sales in the Netherlands are exports, with the bulk to other EU members.

A more friendly tax regime introduced in the late 1990s and a drop in the corporate tax rate to 25 percent in 2011 make the Netherlands an attractive location to base a European headquarters. Dutch tax authorities provide a high degree of customer service to foreign investors. Transparent, precise tax guidance lets investors know what to expect regarding long-term tax obligations. Advance Tax Rulings (ATR) and Advance Pricing Agreements (APA) are guarantees given by local tax inspectors regarding long-term tax commitments for a particular acquisition or greenfield investment. More detailed description of Dutch tax policy for foreign investors can be found at http://nfia.com/images/shared/location_factors/WiH_fiscal_Oct12.pdf.

Dutch corporations and branches of foreign corporations are subject to a corporate tax rate of 25 percent on taxable profits, which puts the Netherlands in the medium third of the corporate tax bracket in the EU. Profits up to €200,000 (approximately \$270,000) are taxed at a rate of 20 percent. Dutch corporate taxation generally allows for the exemption of dividends and capital gains derived from a foreign subsidiary. Surveys into the corporate tax structure of EU member states observe that both the corporate tax rate and the effective corporate tax rate in the Netherlands are average. Nevertheless, the Dutch corporate tax structure ranks among the most competitive in Europe given other beneficial tax measures. No local Dutch income taxes are levied on corporations. The Netherlands also has no branch profit tax and does not levy a withholding tax on interest and royalties.

Maintaining an investment-friendly reputation is a high priority for the Dutch government, which provides public information and institutional assistance to prospective investors through the Netherlands Foreign Investment Agency (NFIA) (<http://www.nfia.com>). Additionally, an EU format information gateway, <http://www.answersforbusiness.nl>, is readily accessible for information on regulations, taxes, and investment incentives that apply to foreign investors in the Netherlands.

The Netherlands maintains six regional offices of the NFIA in the United States (in Washington DC, Atlanta, Boston, Chicago, New York City, and San Francisco). Similarly, the American Chamber of Commerce in the Netherlands (<http://www.amcham.nl>) promotes U.S.-Dutch business interests.

Other Investment Policy Reviews

The Netherlands has not recently undergone an investment policy review by the OECD, World Trade Organization (WTO), or United Nations Committee on Trade and Development (UNCTAD).

Laws/Regulations of FDI

Commercial laws and regulations accord with international legal practices and standards, and **apply equally to foreign and Dutch companies**. The rules on acquisition, mergers, takeovers, and reinvestment are nondiscriminatory. The Social Economic Council (SER), an

official advisory body consisting of government, business, and labor representatives, administers Dutch mergers and acquisitions rules. SER rules are intended – first and foremost – to protect the interests of stakeholders and employees. They include requirements for the timely announcement of mergers and acquisitions (M&A) plans and for discussions with trade unions.

Industrial Strategy

FDI is concentrated in growth sectors including information and communication technology (ICT), biotechnology, medical technology, electronic components, and machinery and equipment. Investment projects are predominantly in value-added logistics, machinery and equipment, and food.

The right-left coalition government that assumed office in October 2012 emphasizes the importance of business and trade. It has identified “top sectors” (creative industries, logistics, horticulture, agro & food sector, life sciences, energy, water, chemical industry, and high tech) at the center of the government’s industrial policy. The policy focuses on improving cooperation between businesses, knowledge institutions, and the government. At the same time, partially due to government’s austerity measures, business subsidies have been reduced. For more information see paragraph 5 and <http://www.government.nl/issues/entrepreneurship-and-innovation/investing-in-top-sectors>.

Limits on Foreign Control

With few exceptions, **the Netherlands does not discriminate between national and foreign individuals** in the establishment and operations of private companies. Although the government has reduced its role in the economy by introducing market forces in public utility sectors, it has taken measures to ensure key infrastructure remains government-controlled. There are a number of strategic sectors in which private investment, including foreign investment, may be subject to limitations or conditions. These include transportation, energy, defense and security, finance, postal services, public broadcasting, and the media.

Air transport is governed by EU regulation and subject to a bilateral agreement between the United States and the EU. U.S. nationals can invest in Dutch/European carriers as long as the airline remains majority-owned by EU governments or nationals from EU member states. Additionally, the EU and its member states reserve the right to limit U.S. investment in the voting equity of an EU airline on a reciprocal basis to that allowed by the United States for foreign nationals in U.S. carriers.

Privatization Program

There are **no ongoing privatization programs in the Netherlands**. Government-controlled entities will retain dominant positions in gas and electricity distribution, rail transport, and the water sector. The government was forced to nationalize ABN Amro Bank and ASR insurance company in 2008 due to their exposure to the U.S. subprime mortgage crisis. It nationalized the bank and insurance company SNS Reaal in February 2013 due to steep losses in the bank’s real estate portfolio. However, the government has announced its intention to privatize these financial institutions, likely through a public offering.

Screening of FDI

The Netherlands has **no formal foreign investment screening mechanisms** and no foreign ownership quotas with the exception of certain limitations in the strategic sectors noted earlier (transportation, energy, defense and security, finance, postal services, public broadcasting, and the media). There is also no requirement for nationals to have an equity stake in a Dutch-registered company.

Competition Law

Structural and regulatory reforms are an integral part of a major reorientation of Dutch economic policy. Market competition is being strengthened through laws aimed at stimulating market forces, liberalization, deregulation, and legislative quality, along with a tightening of competition policy.

As an EU and Eurozone member, the Netherlands is firmly integrated in the European regulatory system with national and European institutions exercising authority over specific markets, industries, consumer rights, and competition behavior of individual firms.

In early 2013, the new Authority Consumer and Market (ACM) was established through the merger of three separate market regulators for Consumer Protection (Consumenten Autoriteit), Post and Telecommunications (OPTA), and Market Competition (NMA).

Investment Trends

In summary, Dutch domestic restrictions on foreign investment remain minimal, with no new restrictions planned. Maintaining an investment-friendly reputation is a high priority for the Dutch government.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	8 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	15 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	28 of 189	http://doingbusiness.org/rankings

Global Innovation Index	2013	4 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD 47,970	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

The Netherlands is a founding member of the EU and one of the initial participants in the Eurozone. As such, monetary policy is under the supervision of the European Central Bank; the president of the Dutch Central Bank (DNB) sits on the European Central Bank's Governing Council.

There are **no restrictions on the conversion or repatriation of capital and earnings** (including branch profits, dividends, interest, royalties), or management and technical service fees, with the exception of the nominal exchange license requirement for nonresident firms.

3. Expropriation and Compensation

The Netherlands **maintains strong protection on all types of property**, including private and intellectual property, and the right of citizens to own and use property. Expropriation of corporate assets or the nationalization of industry requires a special act of parliament, as seen in the nationalization of ABN Amro during the 2008 financial crisis. In the event of expropriation, the Dutch government follows customary international law, providing prompt, adequate compensation and ample process for legal recourse. The U.S. Mission to the Netherlands is unaware of any recent expropriation claims involving the Dutch government and U.S. or other foreign-owned property.

4. Dispute Settlement

Dutch contract law is based on the principle of party autonomy and full freedom of contract. Signing parties are free to draft their agreement in any form and any language, based on the legal system of their choice.

Dutch corporate law provides for a legal and fiscal framework that is designed to be flexible. This element of the investment climate makes the Netherlands especially attractive to foreign investors. Since January 1, 2013, a further liberalization of corporate law has been implemented that allows for more flexibility in corporate governance structure.

Bankruptcy

Dutch bankruptcy law is governed by the Dutch Bankruptcy Code ("Faillissementswet") which applies both to individuals and companies. The code covers three separate legal proceedings. The first is bankruptcy ("faillissement") with the goal to liquidate the company's assets. The second legal proceeding is receivership aiming at reaching an agreement between the creditors and the company. The third proceeding – which applies only to individuals – is debt restructuring ("schuldsanering").

The World Bank's Doing Business Report lists the Netherlands as number 5 in resolving insolvency. The Netherlands ranks better than OECD average on time, cost, and recovery rate on bankruptcies.

Investment Disputes

The Dutch civil court system has a chamber dedicated to business disputes, the Enterprise Chamber. This feature is unique among EU member states and the Enterprise Chamber has received positive reviews from institutional investors, companies and investors. The Enterprise Chamber judges include experts in commercial fields as well as the legal profession. They generally act swiftly and decisively in a wide range of corporate disputes, including conflicts regarding corporate control.

International Arbitration

The Netherlands **accepts binding international arbitration of investment disputes** and domestic courts enforce foreign arbitral awards.

The Netherlands has maintained a treaty of Friendship, Commerce and Navigation with the United States since 1956 that generally provides for national treatment and free entry for foreign investors, with certain exceptions. This Dutch-American Friendship Treaty – also known as DAFT or Dutch American Residency Treaty – gives American citizens preferential treatment to operate a business in the Netherlands. In contrast to other non-EU nationals who want to work in the Netherlands on a self-employed basis, Americans applying under the treaty do not need to satisfy the points-based test which is applied to non-EU businesses. As far as the embassy is aware, there have not been any investment disputes raised by an American company in the Netherlands during the last 10 years.

ICSID Convention and New York Convention

As a member of the International Center for the Settlement of Investment Disputes (ICSID), the Netherlands accepts binding international arbitration between foreign investors and the state. The Netherlands is one of the initial signatories of the New York Arbitration Convention (UNCITRAL) and permits local enforcement of arbitration judgments decided in other signatory countries.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The Netherlands is a member of WTO and does not maintain measures that it has notified the WTO to be inconsistent Trade Related Investment Measures (TRIMs).

Investment Incentives

There are **no trade-related investment performance requirements** in the Netherlands. General requirements to qualify for investment subsidy schemes apply equally to domestic and foreign investors.

There are **no requirements for employment of local capital or managerial personnel**. In practice, however, many chief executives of major American subsidiaries in the Netherlands

are Dutch or other EU nationals. Professional managers are often available at a cost lower than that of posting an American abroad.

Industry-specific, **targeted investment incentives** have long been a tool of Dutch economic policy to facilitate economic restructuring and to promote energy conservation, regional development, environmental protection, research and development (R&D), and other national socioeconomic goals. Such subsidies and incentives are available to foreign and domestic firms alike and are spelled out in detailed regulations. Subsidies are in the form of tax credits that are usually disbursed through corporate tax rebates or direct cash payments in the event of no tax liability.

Since 2011, successive Dutch governments have pursued a program designed to stimulate research and development investments in the nine top sectors. The stated ambitions for this policy are to improve the Dutch knowledge-intensive industries, to reach a top 5 rank among global knowledge-based economies by 2020, to increase the percentage of R&D efforts to 2.5 percent of GDP by 2020, and to establish sector-specific Innovation Consortia wherein both public and private sectors participate with a budget over €500 million. In a joint effort with academia and the private sector, the government has instituted preferential policy that releases over €1 billion in additional funding for R&D and product innovation in the top sectors.

Nearly a quarter of all firms in the Netherlands are active in one of the top sectors, which generate 21 percent of overall employment and account for 27 percent of value added. These sectors are also highly export-orientated, accounting for 40 percent of Dutch exports. Over 95 percent of R&D expenditures on proprietary research within the Netherlands take place in these sectors. In the coming years, more funding is expected to be available as additional government policies in taxation, small and medium sized enterprises (SME) support, and product development are rolled out. By 2015 the government share in the national top sector program is expected to amount to €2 billion.

Foreign investors are free to apply for government grants as the Dutch government reviews applications on a case-by-case basis with no preference for nationality of the bidder.

Although much coordination of investment support is executed at the Ministry and NFIA level, the Netherlands has a strong tradition of regional development agencies. These agencies advise both business and local authorities on the best use of regional development funds. Many have evolved into investment agencies that provide equity participation for up-and-coming enterprises in the region. EU regional development is distributed through regional development agencies. Regional non-tax incentives are available in the form of cash grants, low interest loans, and local government participation and export guarantees for selected areas.

6. Right to Private Ownership and Establishment

Rights of private ownership and establishment of business enterprises are guaranteed in the Netherlands except in some cases in the strategic sectors noted earlier. Legal guidelines on mergers, acquisitions, and reinvestment are applied without regard to nationality.

As of 2013, 22 Fortune 500 companies maintain global headquarters in the Netherlands. However, this number includes 11 companies which have a joint British-Dutch headquarters.

Of the 400,000 registered companies in the Netherlands, nearly 6,000 enterprises are 100% - owned by foreign firms. Most of these have EU origins, but outside the EU area the United States is the most important country of origin: approximately 20 percent of foreign owned enterprises in the Netherlands are American.

7. Protection of Property Rights

Real Property

The Netherlands **fully complies with international standards on protection of real property**. The World Bank's Doing Business Report ranked the Netherlands 47th in "registering property." The number of procedures is equal to the OECD average while processing time is only 10 percent of the OECD average time. Costs, however, are higher than the OECD average.

Intellectual Property Rights

IPR: The Netherlands has a generally strong set of laws and regulations that protect intellectual property rights (IPR). With the implementation of EU Directive 2004/48 on the enforcement of intellectual property rights, IPR holders have more instruments at their disposal to enforce their rights in civil court.

The Netherlands is a member of the World Intellectual Property Organization (WIPO), has signed on to the Paris Convention for the Protection of Industrial Property, and conforms to accepted international practice for the protection of technology and trademarks.

Despite its participation in the negotiations on the Anti-Counterfeiting Trade Agreement (ACTA) treaty, the Netherlands, like other EU member states, has stated it will not sign the treaty in its current form. The EU has requested the European Court of Justice to advise on the compatibility of ACTA with existing European treaties, in particular with the EU Charter of Fundamental Rights.

The Netherlands is not listed in United States Trade Representative's (USTR's) Special 301 Report, but it is listed as hosting infringing websites in USTR's Notorious Markets list: <http://eb.e.state.sbu/sites/tpp/IPE/Pages/Special301NotoriousMarkets.aspx>.

Copyright: The Netherlands has implemented the European directive 98/44/EC in 2006, bringing domestic legislation in line with the WIPO 1996 Copyright Treaty (WCT) and the WIPO Performance and Phonogram Treaty (WPPT). There is consensus among policy makers on the need for measures aimed at raising awareness of IPR rules and regulations and to strengthen enforcement.

Patents: The Netherlands is a **signatory to the European Patent Convention**, which provides for a centralized Europe-wide patent protection system. This convention has simplified the process for obtaining patent protection in EU member states. Infringement proceedings remain within the jurisdiction of the national courts, which could result in divergent interpretations detrimental to U.S. investors and exporters. The Netherlands has been a staunch supporter of the forthcoming single, harmonized European patent procedure that will allow for easier application in just three languages. This unitary patent will be under jurisdiction of a single European patent court to adjudicate disputes.

Patents for foreign investors are granted retroactively to the date of the original filing in the home country, provided the application is made through a Dutch patent lawyer within one year of the original filing date. Dutch patents are valid for 20 years. Legal procedures exist for compulsory licensing if the patent is inadequately used after a period of three years, but these procedures have rarely been invoked. Patent applications can be filed in English, but the conclusion must be written in Dutch.

Since the Netherlands and the United States are both parties to the Patent Cooperation Treaty (PCT) of 1970, patent rights in the Netherlands may be obtained if a PCT application is used.

Beside possible civil remedies, all IPR laws contain penal bylaws and reference to the Criminal Code. In 2012, parliament passed legislation that strengthened the oversight and coordination of seven different collective institutions that concern themselves with the control, administration, and remuneration of commercial use of works under IPR holdership.

The Dutch government has recognized the need to protect intellectual property rights, and law enforcement personnel have worked with industry associations to find and seize pirated software. Dutch IPR legislation currently in place explicitly includes computer software as intellectual property under copyright statutes.

The Netherlands has resisted criminalizing online copyright infringement for personal use, instead placing a surcharge on the sales of blank media such as CDs, DVDs, and USB storage devices to remunerate rights holders. However, a ruling by Court of Justice of the European Union in April 2014 requires the government to change this policy and ban online infringement. Though the Dutch government has affirmed it will comply with the ruling, it is not yet clear how Dutch laws will be amended to comply with the Court's ruling.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Resources for Rights Holders

- Contact at American Embassy The Hague:
- Christina Hardaway
- Economic Officer
- Telephone: +31 (0)70 310 2270
- E-mail: HardawayCED@state.gov

Country-Specific Resource:

- BREIN Foundation
- <http://www.anti-piracy.nl/english.php>
- P.O. Box 133

- 2130 AC Hoofddorp
- The Netherlands
- Telephone: +31 (0)23 799 7870

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/>.

Local lawyers list: http://amsterdam.usconsulate.gov/legal_assistance3.html

8. Transparency of the Regulatory System

Laws and regulations that affect direct investment, such as environmental rules and health and safety regulations, are non-discriminatory and apply equally to foreign and domestic firms.

As an EU member and as a Eurozone country, the Netherlands is firmly integrated in the European regulatory system with national and European institutions exercising authority over specific markets, industries, consumer rights, and competition behavior of individual firms.

In April 2013, the new Dutch Authority for Consumers and Markets (ACM) was established through the merger of three separate market regulators for consumer protection, post and telecommunications, and antitrust law.

Financial markets are regulated in an interconnected EU and national system of prudential and behavioral oversight. The domestic regulators are the DNB and the Netherlands Authority for the Financial Market (AFM). Their EU counterparts are the European Central Bank (ECB) and the European Securities and Markets Authority (ESMA).

The Netherlands has a pilot program for public comment on proposed laws and regulations at the discretion of the drafting ministry, though the majority of legislation and regulations does not go through this process. New laws and regulations must be approved by the Second and First Chamber of Parliament.

9. Efficient Capital Markets and Portfolio Investment

The Netherlands is home to the world's oldest stock exchange – established four centuries ago – and to Europe's first options exchange, both located in Amsterdam. The Amsterdam financial exchanges are part of the Euronext group that operates stock exchanges and derivatives markets in Amsterdam, Brussels, London, Lisbon, and Paris.

Dutch financial markets are fully developed and operate at market rates, facilitating the free flow of financial resources. The Netherlands is an international financial center for the foreign exchange market and for Eurobonds and bullion trade. There are no restrictions on foreign investors' access to sources of local finance.

Dutch financial institutions were hit hard by the 2008 global financial crisis. The government nationalized Fortis Bank Nederland and the Dutch activities of ABN Amro Bank and provided capital injections and guarantees to other large financial institutions including the ING Group, bank and insurance company SNS Reaal, and insurance company Aegon.

More recently, the government bailed out SNS Reaal in February 2013 due to problematic investments in commercial real estate. However, the Dutch financial sector is recovering from the financial crisis and banks have largely paid back state support received in 2008 and 2009. The government has announced its intent to return ABN Amro and SNS Reaal to private ownership.

Hostile Takeovers

The failed bid for former state monopoly telecommunications company Royal KPN N.V. by Mexican telecom company America Movil in 2013 represents a **recent, though rare, example of the prevention of a takeover bid**. KPN Foundation, an independent foundation tasked with protecting the interest of KPN shareholders, blocked Movil's offer to purchase all remaining KPN shares in August 2013. KPN Foundation used a "poison pill" construction due to perceived "considerable uncertainty" about America Movil's intentions. America Movil withdrew its bid in October 2013.

10. Competition from State-Owned Enterprises

There is very little state intervention in the private sector. The number of enterprises in which the state maintains an equity stake has been decreasing for decades. Nonetheless, the Dutch government maintains equity stakes or complete ownership in companies that play an important role in strategic sectors. Government-controlled entities retain dominant positions in gas and electricity distribution, rail transport, and the water sector. The Netherlands has an extensive public broadcasting network, which generates its own income through advertising revenues but also receives government subsidies.

The following sectors include companies and organizations in which the government is the majority shareholder (with at least 51 percent ownership): transportation and infrastructure, energy, gas trade, nuclear energy, gambling, and finance. For a list with government owned entities please see <http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/publicaties/2013/10/18/overzicht-staatsdeelnemingen/overzicht-staatsdeelnemingen.pdf>.

Private enterprises are allowed to compete with public enterprises with respect to market access, credits, and other business operations such as licenses and supplies.

State-owned enterprises (SOEs) operate with government oversight through the appointment of a supervisory board. In some instances, SOEs must consult with the cabinet ministry that oversees them on large investment decisions. As with any other firms in the Netherlands, SOEs must publish annual reports, and their financial accounts must be audited.

OECD Guidelines on Corporate Governance of SOEs

The Netherlands fully adheres to the OECD Guidelines on Corporate Governance of SOEs.

Sovereign Wealth Funds

The Netherlands has no sovereign wealth funds.

11. Corporate Social Responsibility

The Netherlands is a global leader on corporate social responsibility (CSR). **Principles of CSR are promoted and prescribed** through a range of corporate, governmental, and international guidelines. In general, companies closely guard their reputation for CSR, and consumers are increasingly opting for products and services that are produced in a sustainable manner.

The Dutch government strongly encourages foreign and local enterprises to follow the United National Guiding Principles on Business and Human Rights based on the guiding principle that businesses have a social responsibility to apply the same human rights norms both in the Netherlands and elsewhere. For more information, please see <http://www.business-humanrights.org/Links/Repository/1024964>.

The Netherlands has strong standards for corporate governance and publicly listed companies are required to publish audited financial reports. **OECD Guidelines for Multinational Enterprises**

As the Netherlands adheres to the OECD Guidelines for Multinational Enterprises, the Dutch Ministry of Economic Affairs houses the National Contact Point (NCP) that promotes the Guidelines and helps mediate any concerns that persons, non-governmental organizations (NGOs) and enterprises may have regarding the implementation of the OECD Guidelines by a specific company. For more information, visit <http://www.oecdguidelines.nl>.

12. Political Violence

The Netherlands has a **stable political environment**. Although political violence rarely occurs in the highly consensus-oriented Dutch society, public debate on issues such as immigration and integration policy has been contentious. While rare, there have been politically and religiously inspired acts of violence, including the 2004 killing of controversial filmmaker Theo van Gogh and the 2002 assassination of the populist politician Pim Fortuyn.

The Dutch economy derives much of its strength from a stable business climate fostered by partnership between unions, business organizations, and the government. Industrial action is rarely regarded as the primary means to settle labor disputes and strikes are unusual. Despite years of economic crisis and austerity measures, including raises in the retirement age, the frequency of strikes continues to be very low. There have not been any general or large-scale strikes in recent years.

13. Corruption

The Netherlands fully complies with international standards on combating corruption. Transparency International ranked the Netherlands 8th on its 2013 Corruption Perception Index.

The Netherlands signed and ratified the UN Anticorruption Convention and is a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Anti-bribery legislation to implement the 1997 OECD Anti-Bribery Convention (ABC) became effective in 2001. The anti-bribery law reconciles the language of the ABC with the EU Fraud

Directive and the Council of Europe Convention on Fraud. It makes corruption by Dutch businessmen in landing foreign contracts a criminal offense.

At a national level, the Ministry of the Interior and Kingdom Relations and the Ministry of Security and Justice have taken steps to enhance regulations to combat bribery in public procurement and in the issuance of permits and subsidies. Most companies have internal controls and/or codes of conduct that prohibit bribery.

Several agencies combat corruption. The National Integrity Office serves as a knowledge center, develops new instruments for tracking problems, and identifies trends on matters of integrity. The Independent Commission for Integrity in Government is an appeals board for whistleblowers in government and law enforcement agencies.

14. Bilateral Investment Agreements

As mentioned in paragraph 4, the Netherlands has maintained a treaty of Friendship, Commerce and Navigation with the United States since 1956 that generally provides for national treatment and free entry for foreign investors, with certain exceptions. This Dutch-American Friendship Treaty is also known as DAFT or Dutch American Residency Treaty.

The Netherlands shares **bilateral investment treaties** (BITs) which afford certain investor protections with more than 100 countries in Asia, Latin America, Africa, and Eastern Europe including: Albania, Algeria, Argentina, Armenia, Bahrain, Bangladesh, Belarus, Belize, Benin, Bolivia, Bosnia-Herzegovina, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Costa Rica, Croatia, Cuba, Czech Republic, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Gambia, Georgia, Ghana, Guatemala, Honduras, Hong Kong, Hungary, India, Indonesia, Ivory Coast, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Latvia, Lebanon, Lithuania, Macau, Macedonia (FYROM), Malawi, Malaysia, Mali, Malta, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Nicaragua, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Russia, Senegal, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, South Korea, Sri Lanka, Sudan, Surinam, Tajikistan, Tanzania, Thailand, Tunisia, Turkey, Uganda, Ukraine, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia, and Zimbabwe.

For updated list and legal status of these agreements please see <http://www.rijksoverheid.nl/onderwerpen/internationaal-ondernemen/documenten-en-publicaties/besluiten/2007/04/16/teksten-ibo-overeenkomsten.html>.

Bilateral Taxation Treaties

The Netherlands has a bilateral taxation treaty with the United States. Treaty documents are available at: <http://www.irs.gov/Businesses/International-Businesses/Netherlands---Tax-Treaty-Documents>.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Insurance Corporation (OPIC) does not operate in the Netherlands. However, OPIC insurance and funding is available for American companies partnering with Dutch companies in third markets where OPIC operates. The Netherlands is a member of the Multilateral Investment Guarantee Agency (MIGA).

Dutch-registered companies investing abroad can insure their investments against non-commercial risks through the privately-owned Atradius Dutch State Business N.V., which issues export credit insurance policies and guarantees to businesses on behalf of the Dutch government.

The legal basis for investment insurance is laid in the Framework Act for Financial Provisions. Insurance covers assets and cash, as well as loans related to an investment. Both new and (under certain circumstances) existing investments are eligible.

16. Labor

The Netherlands has a **strongly regulated labor market** (nearly 85 percent of labor contracts fall under some form of collective labor agreement), comprised of a well-educated, multilingual, and motivated workforce. Legislation has been passed or is in progress to increase labor market flexibility. Labor/management relations in both the public and private sectors are generally good in a system that emphasizes the concept of social partnership between industry and labor. Although wage bargaining in the Netherlands is increasingly decentralized, there still exists a central bargaining apparatus where labor contract guidelines are established.

The terms of collective labor agreements apply to all employees in that sector, not only the union members. To avoid surprises, potential investors are advised to consult with local trade unions to determine which, if any, labor contracts apply to workers in their business sector prior to making an investment decision. Collective bargaining agreements negotiated in the past few years have, by and large, been accepted by the rank and file without much protest.

The Dutch economy derives its strength from free trade and a stable industrial climate fostered by partnership among unions, employers' organizations, and the government. There is substantial labor involvement in corporate decision-making on matters affecting workers. Each company in the Netherlands with at least 50 workers is required by law to institute a Works Council ("ondernemingsraad"), which management must consult on a range of issues including investment decisions. The Dutch government has introduced legislation governing employee participation of European companies (companies operating in at least two EU member states). Under this legislation, company management and workers must conclude an agreement on employee participation. Trade unions and management are generally receptive to foreign investment, especially where this leads to improved employment possibilities and related benefits. U.S. companies generally perceive Works Councils as contributing to better management-worker relations and a benefit to the company.

The annual unemployment rate was estimated at 6.7 percent in 2013, well below the EU average. The working population consists of 7.9 million persons. Workers may be found through government-operated labor exchanges, private employment firms, or through direct hiring.

Since 2002, the Netherlands has had the highest part-time work rate in the OECD. An increase in the participation of women in the workforce led to a 37 percent increase in the share of part-time workers in the total working population. Two-thirds of women and one quarter of men work less than a 36-hour week. Labor market participation, especially by

older workers, is gradually growing. The number of independent contractors is rapidly increasing, creating a more flexible workforce.

Increased labor market participation is regarded as critical to ensuring continued economic growth and to coping with the impact of an aging population. The age to qualify for a state pension (AOW) will gradually increase from 65 to 67 years by 2023. Beginning in 2024, increases in the retirement age will be linked to life expectancy. Government labor market policies are targeted at increasing the productivity of the labor force, including by expanding working hours. The maximum average workweek was increased from 50 to 60 hours in 2004. In a related move, 2007 legislation increased the number of hours a worker must complete before earning a break. New legislation has also been adopted which will increase the flexibility of operating hours for companies and shops.

Effective January 1, 2014, the minimum wage for employees older than 23 years is €1,485.60 (\$2,052) a month.

17. Foreign Trade Zones/Free Ports

The Netherlands has no free trade zones (FTZs) or free ports in the sense of territorial enclaves where commodities can be processed or reprocessed tax-free. However, FTZs exist which are reserved for bonded storage, cargo consolidation, and reconfiguration of non-EU goods. This reflects the key role transport, transit, logistics, and distribution play in the Dutch economy. Dutch customs authorities oversee a large number of customs warehouses, free warehouses, and free zones along many of the Netherlands trade routes and entry points.

Schiphol Airport alone handles over 1.5 million tons of goods for distribution. Specific premises in the Schiphol area are designated customs-free zones. The Port of Rotterdam is Europe's largest seaport by volume, handling over 37 percent of all cargo shipping on the Le Havre – Hamburg coastline and processing over 442 million tons of goods in 2012, the most recent year for which data is available. Many agents operate customs warehouses under varying customs regimes on the premises of the Port of Rotterdam.

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*1		USG or international statistical source		USG or international (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (Millions U.S. Dollars)	2013	\$749.4 billion	2012	\$770.6 billion (current US\$)	http://www.worldbank.org/en/country

Foreign Direct Investment	Host Country Statistical source*2		USG or international statistical source		USG or international
	Source of data: BEA; IMF; Eurostat; UNCTAD, Other				
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	2012	\$802,219 million	2012	\$645,098 million	BEA
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	\$579,006 million	2012	\$274,904 million	BEA
Total inbound stock of FDI as % host GDP	2012	277%			Based on numbers by World Bank (for GDP) and IMF (for total inward direct investment to the Netherlands). *3

1) Dutch Central Bank: <http://www.statistics.dnb.nl/en/key-statistics-dutch-economy/index.jsp>

2) Dutch Central Bank: <http://www.statistics.dnb.nl/en/balance-of-payments-and-international-investment-positions/index.jsp>. These numbers include the "special financial institutions (SFIs)," for a definition of SFIs please see <http://www.dnb.nl/en/statistics/eline-bb/application-forms/sfi/>

3) International Monetary Fund: <http://cds.imf.org/>

TABLE 3: Sources and Destination of FDI

The Netherlands, 2012

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (<i>US Dollars, Millions</i>)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	3,670,121	100%	Total Outward	4,504,713	100%
United States	766,405	21%	United Kingdom	556,673	12%
Luxembourg	540,185	15%	United States	551,164	12%

United Kingdom	458,445	12%	Luxembourg	461,729	10%
Switzerland	205,942	6%	Germany	275,724	6%
Germany	165,317	5%	Switzerland	263,095	6%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: <http://cds.imf.org/>

The Netherlands is the largest recipient and source of foreign direct investment in the world. However, according to the 2011 IMF report "Where Investment Goes" most of the funds passed through the Netherlands to a different ultimate beneficial destination. The IMF noted that the Netherlands has "special legislation that provides advantages to multinational corporations using these countries as pass-throughs." However, the Netherlands is not considered to be a tax haven.

TABLE 4: Sources of Portfolio Investment

The Netherlands, end of 2012

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	1,657,965	100%	World	720,123	100%	World	937,841	100%
United States	350,707	21%	United States	233,291	32%	Germany	241,262	26%
Germany	266,771	16%	Luxembourg	75,113	10%	France	154,412	16%
France	185,484	11%	United Kingdom	72,407	10%	United States	117,416	13%
United Kingdom	122,787	7%	Ireland	53,145	7%	Italy	50,810	5%
Luxembourg	89,631	5%	France	31,072	4%	United Kingdom	50,380	5%

Source: <http://cpis.imf.org/>

Section 5 - Government

Chiefs of State and Cabinet Members:

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

Legal system:

civil law system based on the French system; constitution does not permit judicial review of acts of the States General

International organization participation:

ADB (nonregional member), AfDB (nonregional member), Arctic Council (observer), Australia Group, Benelux, BIS, CBSS (observer), CD, CE, CERN, EAPC, EBRD, ECB, EIB, EITI (implementing country), EMU, ESA, EU, FAO, FATF, 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, NATO, NEA, NSG, OAS (observer), OECD, OPCW, OSCE, Paris Club, PCA, Schengen Convention, SELEC (observer), UN, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNMISS, UNRWA, UNTSO, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO, ZC

Section 6 - Tax

Exchange control

There are no exchange controls currently in force in The Netherlands.

Treaty and non-treaty withholding tax rates

Netherlands has signed **126 agreements (97 DTC and 29 TIEA agreements)** providing for the exchange of information.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Albania	DTC	22 Jul 2004	15 Nov 2005	Unreviewed	No	
Andorra	TIEA	6 Nov 2009	1 Jan 2011	Yes	Yes	
Anguilla	TIEA	22 Jul 2009	1 May 2011	Yes	Yes	
Antigua and Barbuda	TIEA	2 Sep 2009	1 Mar 2010	Yes	Yes	
Argentina	DTC	27 Dec 1996	11 Feb 1998	Yes	No	
Armenia	DTC	31 Oct 2001	22 Nov 2002	Unreviewed	No	
Aruba	DTC	28 Oct 1964	1 Jan 1965	Yes	No	
Australia	DTC	17 Mar 1976	27 Sep 1976	Yes	No	
Austria	DTC	1 Sep 1970	21 Apr 1971	Yes	Yes	
Azerbaijan	DTC	22 Sep 2008	18 Dec 2009	Unreviewed	No	
Bahamas, The	TIEA	4 Dec 2009	1 Dec 2010	Yes	Yes	
Bahrain	DTC	16 Apr 2008	24 Nov 2009	Yes	Yes	
Bangladesh	DTC	13 Jul 1993	8 Jun 1994	Unreviewed	No	
Barbados	DTC	28 Nov 2006	12 Jul 2007	Yes	Yes	
Belarus	DTC	26 Mar 1996	31 Dec 1997	Unreviewed	No	
Belgium	DTC	5 Jun 2001	31 Dec 2002	Yes	Yes	
Belize	TIEA	4 Feb 2010	1 Jan 2011	Yes	Yes	
Bermuda	TIEA	8 Jun 2009	1 Feb 2010	Yes	Yes	
Bosnia and Herzegovina	DTC	22 Feb 1982	6 Feb 1983	No	No	
Brazil	DTC	8 Mar 1990	22 Nov 1991	No	No	
Bulgaria	DTC	6 Jul 1990	11 May 1994	Unreviewed	No	
Canada	DTC	27 May 1986	21 Aug 1987	Yes	No	
Cayman Islands	TIEA	8 Jul 2009	29 Dec 2009	Yes	Yes	
China	DTC	13 May 1987	5 Mar 1988	No	No	
Chinese Taipei	DTC	27 Feb 2001	16 May 2001	Unreviewed	No	
Cook Islands	TIEA	23 Oct 2009	7 Sep 2011	Yes	Yes	
Costa Rica	TIEA	29 Mar 2011	1 Jul 2012	Yes	Yes	
Croatia	DTC	23 May 2000	6 Apr 2001	Unreviewed	No	
Curaçao	DTC	28 Oct 1964	1 Jan 1965	Yes	No	
Czech Republic	DTC	4 Mar 1974	5 Nov 1974	Yes	Yes	
Denmark	DTC	1 Jul 1996	6 Mar 1998	Yes	No	
Dominica	TIEA	11 May 2010	1 Mar 2012	No	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Egypt	DTC	21 Apr 1999	20 May 2000	Unreviewed	No	
Estonia	DTC	14 Mar 1997	8 Nov 1998	Yes	No	
Ethiopia	DTC	10 Aug 2012	not yet in force	Unreviewed	Yes	
Finland	DTC	28 Dec 1995	20 Dec 1997	Yes	No	
Former Yugoslav Republic of Macedonia	DTC	11 Sep 1998	21 Apr 1999	Yes	No	
France	DTC	16 Mar 1973	29 Mar 1974	Yes	No	
Georgia	DTC	21 Mar 2002	21 Feb 2003	Unreviewed	No	
Germany	DTC	12 Apr 2012	not yet in force	Yes	Yes	
Germany	DTC	16 Jun 1959	18 Sep 1960	Yes	No	
Ghana	DTC	10 Mar 2008	12 Nov 2008	Yes	No	
Gibraltar	TIEA	23 Apr 2010	1 Dec 2011	Yes	Yes	
Greece	DTC	16 Jul 1981	17 Jul 1984	Yes	No	
Grenada	TIEA	18 Feb 2010	20 Jan 2012	Yes	Yes	
Guernsey	TIEA	25 Apr 2008	11 Apr 2009	Yes	Yes	
Hong Kong, China	DTC	22 Mar 2010	24 Oct 2011	Yes	Yes	
Hungary	DTC	5 Jun 1986	25 Sep 1987	Yes	No	
Iceland	DTC	25 Sep 1997	27 Dec 1998	Yes	No	
India	DTC	30 Jul 1988	21 Jan 1989	Yes	Yes	
Indonesia	DTC	29 Jan 2002	31 Dec 2003	Yes	No	
Ireland	DTC	11 Feb 1969	12 May 1970	Yes	No	
Isle of Man	TIEA	12 Oct 2005	24 Jul 2006	Yes	Yes	
Israel	DTC	2 Jul 1973	9 Sep 1974	No	No	
Italy	DTC	8 May 1990	3 Oct 1993	Yes	No	
Japan	DTC	25 Aug 2010	29 Dec 2011	Yes	Yes	
Jersey	TIEA	20 Jun 2007	1 Mar 2008	Yes	Yes	
Jordan	DTC	30 Oct 2006	16 Aug 2007	Unreviewed	No	
Kazakhstan	DTC	24 Apr 1996	5 Feb 1997	Unreviewed	No	
Korea, Republic of	DTC	25 Oct 1978	17 Apr 1981	No	No	
Kosovo	DTC	22 Feb 1982	6 Feb 1983	No	No	
Kuwait	DTC	29 May 2001	23 Apr 2002	Unreviewed	No	
Kyrgyzstan	DTC	21 Nov 1986	27 Sep 1987	Unreviewed	No	
Latvia	DTC	14 Mar 1994	29 Jan 1995	Unreviewed	No	
Liberia	TIEA	27 May 2010	1 Jun 2012	Yes	Yes	
Liechtenstein	TIEA	10 Nov 2009	1 Dec 2010	Yes	Yes	
Lithuania	DTC	16 Jun 1999	31 Aug 2000	Yes	No	
Luxembourg	DTC	8 May 1968	20 Oct 1969	Yes	Yes	
Malawi	DTC	18 Jun 1969	30 Jan 1970	No	No	
Malaysia	DTC	7 Mar 1988	2 Feb 1989	Yes	Yes	
Malta	DTC	18 May 1977	9 Nov 1977	Yes	No	
Marshall Islands	TIEA	14 May 2010	8 Nov 2011	Yes	Yes	
Mexico	DTC	27 Sep 1993	13 Oct 1994	Yes	Yes	
Moldova, Republic of	DTC	3 Jul 2000	1 Jun 2001	Unreviewed	No	
Monaco	TIEA	11 Jan 2010	1 Dec 2010	Yes	Yes	
Mongolia	DTC	8 Mar 2002	17 Oct 2003	Unreviewed	No	
Montenegro	DTC	22 Feb 1982	6 Feb 1983	No	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Montserrat	TIEA	10 Dec 2009	1 Dec 2011	Yes	Yes	
Morocco	DTC	12 Aug 1977	10 Jun 1987	No	No	
New Zealand	DTC	15 Oct 1980	18 Mar 1981	Yes	No	
Nigeria	DTC	11 Dec 1991	9 Dec 1992	No	No	
Norway	DTC	12 Jan 1990	31 Dec 1990	Yes	No	
Oman	DTC	5 Oct 2009	28 Dec 2011	Unreviewed	Yes	
Pakistan	DTC	24 Mar 1982	4 Oct 1982	Unreviewed	No	
Panama	DTC	6 Oct 2010	1 Dec 2011	Yes	Yes	
Philippines	DTC	9 Mar 1989	20 Sep 1991	No	No	
Poland	DTC	13 Feb 2002	18 Mar 2003	Yes	No	
Portugal	DTC	20 Sep 1999	11 Aug 2000	Yes	No	
Qatar	DTC	24 Apr 2008	25 Dec 2009	Yes	Yes	
Romania	DTC	5 Mar 1998	29 Jul 1999	Unreviewed	No	
Russian Federation	DTC	16 Dec 1996	27 Aug 1998	Yes	No	
Saint Kitts and Nevis	TIEA	2 Sep 2009	29 Nov 2010	Yes	Yes	
Saint Lucia	TIEA	12 Feb 2009	31 Mar 2011	Yes	Yes	
Saint Vincent and the Grenadines	TIEA	1 Sep 2009	21 Mar 2011	Yes	Yes	
Samoa	TIEA	14 Sep 2009	2 Mar 2012	Yes	Yes	
San Marino	TIEA	27 Jan 2010	1 Jan 2011	Yes	Yes	
Saudi Arabia	DTC	13 Oct 2008	1 Dec 2010	Yes	No	
Serbia	DTC	22 Feb 1982	6 Feb 1983	No	No	
Seychelles	TIEA	4 Aug 2010	1 Sep 2012	Yes	Yes	
Singapore	DTC	19 Feb 1971	31 Aug 1971	Yes	Yes	
Sint Maarten	DTC	28 Oct 1964	1 Jan 1965	Yes	No	
Slovakia	DTC	4 Mar 1974	5 Nov 1974	No	No	
Slovenia	DTC	30 Jun 2004	31 Dec 2005	Yes	No	
South Africa	DTC	10 Oct 2005	28 Dec 2008	Yes	Yes	
Spain	DTC	16 Jun 1971	20 Sep 1972	Yes	No	
Sri Lanka	DTC	17 Nov 1982	24 Jan 1984	Unreviewed	No	
Suriname	DTC	25 Nov 1975	13 Apr 1977	Unreviewed	No	
Sweden	DTC	18 Jun 1991	12 Aug 1992	Yes	No	
Switzerland	DTC	26 Feb 2010	9 Nov 2011	Yes	Yes	
Tajikistan	DTC	21 Nov 1986	27 Sep 1987	Unreviewed	No	
Thailand	DTC	9 Nov 1975	6 Sep 1976	No	No	
Tunisia	DTC	16 May 1995	15 Dec 1995	No	No	
Turkey	DTC	27 Mar 1986	30 Sep 1988	Yes	No	
Turks and Caicos Islands	TIEA	22 Jul 2009	1 May 2011	Yes	Yes	
Uganda	DTC	31 Aug 2004	10 Sep 2006	Unreviewed	No	
Ukraine	DTC	24 Oct 1995	2 Nov 1996	Unreviewed	No	
United Arab Emirates	DTC	8 May 2007	2 Jun 2010	Yes	Yes	
United Kingdom	DTC	7 Nov 1980	6 Apr 1981	Yes	Yes	
United States	DTC	18 Dec 1992	1 Jan 1994	Yes	No	
Uruguay	TIEA	24 Oct 2012	not yet in force	Yes	Yes	
Uzbekistan	DTC	18 Oct 2001	27 May 2002	Unreviewed	No	
Venezuela	DTC	29 May 1991	11 Dec 1997	Unreviewed	No	
Viet nam	DTC	24 Jan 1995	25 Oct 1995	Unreviewed	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Virgin Islands, British	TIEA	11 Sep 2009	1 Jul 2013	Yes	Yes	
Zambia	DTC	19 Dec 1977	9 Nov 1982	No	No	
Zimbabwe	DTC	18 May 1989	21 Apr 1991	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 Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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