Nicaragua

RISK & COMPLIANCE REPORT

DATE: March 2017

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Executive Summary - Nicaragua	
Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	US Dept of State Money Laundering Assessment Non - Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score) International Narcotics Control Majors List

Major Investment Areas:

Agriculture - products:

coffee, bananas, sugarcane, rice, corn, tobacco, sesame, soya, beans; beef, veal, pork, poultry, dairy products; shrimp, lobsters, cotton

Industries:

food processing, chemicals, machinery and metal products, knit and woven apparel, petroleum refining and distribution, beverages, footwear, wood, electric wire harness manufacturing, mining

Exports - commodities:

coffee, beef, gold, sugar, peanuts, shrimp and lobster, tobacco, cigars, automobile wiring harnesses, textiles, apparel, cotton

Exports - partners:

US 54%, Canada 8.4%, Venezuela 7.4%, El Salvador 4.5% (2012)

Imports - commodities:

consumer goods, machinery and equipment, raw materials, petroleum products

Imports - partners:

US 18.8%, Venezuela 14.4%, Mexico 12.1%, Costa Rica 8.8%, China 7.8%, Guatemala 7.6%, El Salvador 5.1% (2012)
Investment Restrictions: Nicaragua's Foreign Investment Law defines the legal framework for foreign investment. The law allows for 100% foreign ownership in most industries Private sector investment is not permitted in these sectors: the National Sewer and Water Company (ENACAL), National Port Authority (EPN), and National Electricity Transmission Company (ENTRESA).

Contents

Section 1 - Background

The Pacific coast of Nicaragua was settled as a Spanish colony from Panama in the early 16th century. Independence from Spain was declared in 1821 and the country became an independent republic in 1838. Britain occupied the Caribbean Coast in the first half of the 19th century, but gradually ceded control of the region in subsequent decades. Violent opposition to governmental manipulation and corruption spread to all classes by 1978 and resulted in a short-lived civil war that brought the Marxist Sandinista guerrillas to power in 1979. Nicaraguan aid to leftist rebels in El Salvador caused the US to sponsor anti-Sandinista contra guerrillas through much of the 1980s. After losing free and fair elections in 1990, 1996, and 2001, former Sandinista President Daniel ORTEGA Saavedra was elected president in 2006 and reelected in 2011. The 2008 municipal elections, 2010 regional elections, November 2011 presidential elections, and 2012 municipal elections were marred by widespread irregularities. Nicaragua's infrastructure and economy - hard hit by the earlier civil war and by Hurricane Mitch in 1998 - are slowly being rebuilt, but democratic institutions have been weakened under the ORTEGA administration.

Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Nicaragua is no longer on the FATF List of Countries that have been identified as having strategic AML deficiencies

Latest FATF Statement - 25 February 2015

The FATF welcomes Nicaragua's significant progress in improving its AML/CFT regime and notes that Nicaragua has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Nicaragua is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Nicaragua will work with GAFILAT as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Nicaragua was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, Nicaragua was deemed Compliant for 4 and Largely Compliant for 7 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 4 of the 6 Core Recommendations.

Key Findings from latest Mutual Evaluation Report (2009):

Overall since 2008 Nicaragua relies on adequate criminal legislation to combat money laundering (LD) and terrorist financing (FT) except for serious restrictions on the possibility of adopting urgent measures in the case of FT, and minor deficiencies in the list of previous crimes of LD. Shortly after the new Code entered into force, the first investigations and charges took place in the implementation of the offence under LD, although the effectiveness of the criminal system is still limited due to lack of financial and human resources.

The rules AML / CFT applicable to regulated financial sector as well as the supervision exercised by the government largely incorporate international standards, but the cooperative sector is not regulated. The Cooperatives, associations and non-profit organizations develop an important volume of financial services, are beyond all regulation and supervision and are not meeting the minimum AML / CFT obligations described in the law. The APNFD, meanwhile, are not even considered regulated institutions (except casinos), although these do not generate such a high risk as unregulated financial institutions, given their lower level of resources and the limited services offered to the public.

No FUI has been created nor does exist an adequate AML/CFT institutional infrastructure. Neither is there an integral AML / CFT strategy nor coordination among institutions for the definition of policies in this area. Training of judges and prosecutors is precarious, and the judicial system lacks the necessary independence, while recognizing the recent efforts of the authorities to bring training to these officials. Financial constraints specific to one of the poorest countries of America and the Caribbean lead to additional complications.

There is no evidence of terrorist financing risks, nor have suspicious transaction reports or investigations in this direction emerged. The major crimes that generate illicit profits in Nicaragua appear to be drug-trafficking and corruption. According to authorities, the country's vulnerability to drug trafficking is a result of geographical position which makes it attractive for the transit of drugs and money between North and South of the continent, although the volume of cocaine seized is still much lower than in other Central American countries.

US Department of State Money Laundering assessment (INCSR)

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

OVERVIEW

The Republic of Nicaragua is not considered a regional financial center. Its financial system and economy are vulnerable to money laundering as the country continues to be a transshipment route for illegal drugs destined for the United States and cash returning to South America. Nicaragua has made important strides in its legislative framework in recent years, creating a FIU, the Financial Analysis Unit (UAF), and satisfactorily addressing numerous areas of deficiency. In 2016, the UAF updated and expanded the list of KYC- and STR-covered entities, to include non-bank financial institutions, bringing Nicaragua’s regulations closer in line with international standards. However, weak governmental institutions, significant reports of corruption at all levels, and the lack of rule of law overshadow any legal or regulatory changes.

VULNERABILITIES AND EXPECTED TYPOLOGIES

Money laundering proceeds result from the sale of illegal narcotics, mainly cocaine, and are mostly controlled by international organized crime. Corruption and impunity cases include local officials and community leaders accused of collaborating with narcotics traffickers and organized crime entities. The courts remain particularly susceptible to bribes, manipulation, and other forms of corruption. The existence of multiple, nontransparent quasi-public businesses with ties to the ruling party that manage large cash transactions as well as the proliferation of subsidiary companies with unclear ownership increases the country’s vulnerability to money laundering.

Some evidence exists of informal "cash and carry" networks for delivering remittances from abroad that may also be indicative of money laundering. Nicaragua's geography and limited border control in remote regions leaves it vulnerable to cross-border movement of contraband and criminal proceeds. Subject matter experts believe the black market for smuggled goods in Nicaragua is larger than officially recognized, indicating possible TBML. Many market vendors deal in cash and many of the goods are stolen. Money laundering also occurs via traditional mechanisms, such as purchases of land, vehicles, and livestock. The Central America Four Agreement among El Salvador, Guatemala, Honduras, and Nicaragua allows for the free movement of citizens across respective borders. Consequently, the agreement represents a vulnerability to each country for the cross-border movement of contraband and proceeds of crime.

The National Free Trade Zone Commission, a government agency, regulates FTZ activities. As of November 2016, a total of 220 companies operate with FTZ status. The Nicaraguan Customs Agency monitors all FTZ imports and exports.

In April 2016, the National Assembly amended Law 735 related to the prevention and prosecution of organized crime and the administration of confiscated and abandoned goods resulting from organized crime to give the president direct control over the primary responsible party, the National Council Against Organized Crime. Subject matter experts believe the amendment will decrease transparency, especially regarding the administration of seized assets.

KEY AML LAWS AND REGULATIONS

Nicaragua has records exchange mechanisms in place with other nations, including the United States.

In 2016, the UAF updated its STR and KYC regulations, standardizing them, expanding the list of covered entities to include non-bank financial institutions, and establishing registration and reporting procedures for such entities. In line with previously existing regulations, all newly covered entities have to carry out comprehensive prevention programs with adequate systems to identify and keep records regarding the origin of funds and ultimate beneficiaries, implement early detection systems, analyze suspicious activities, and report these activities to the UAF. Financial institutions implement comprehensive CDD and STR regulations and have in place enhanced due diligence procedures for domestic and foreign PEPs.

Nicaragua is a member of the GAFILAT.

AML DEFICIENCIES

Weak governmental institutions, deficiencies in the rule of law, and concerns about corruption should be addressed. The Nicaraguan legal framework should also continue to be strengthened by considering identity falsification, counterfeiting, and piracy as predicate offenses for money laundering. Without this classification, apprehended criminals using these means explicitly to launder money can be tried for lesser crimes, and are not strongly deterred from continuing laundering activities.

Nicaragua applied for membership in the Egmont Group in 2014; the application remains pending.

ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

In 2016, according to data from the UAF, the Government of Nicaragua conducted 20 investigations, prosecuted 19 money laundering-related cases, obtained 14 convictions (plus 23 convictions from cases opened in the previous year), and seized over $2.8 million.

Current Weaknesses in Government Legislation (2014 INCRS Comparative Tables):

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

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

EU White list of Equivalent Jurisdictions

Nicaragua is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

To view historic Governance Indicators Ctrl + Click here and then select country

Failed States Index

To view Failed States Index Ctrl + Click here

Offshore Financial Centre

Nicaragua is not considered to be an Offshore Financial Centre

Reports

US State Dept Narcotics Report 2017 (introduction):

Introduction

Nicaragua remains a primary transit route for drug trafficking. Nicaragua's long Atlantic and Pacific coasts, large inland lakes, porous border crossings, and sparsely-populated and underdeveloped Caribbean coastal region provide a favorable environment for international criminal groups to exploit by smuggling contraband, including drugs, weapons, currency, and people. Domestic production of marijuana also occurs and Nicaragua faces a growing domestic market for illegal drugs.

The Government of Nicaragua's updated Citizen Security plan for 2016 includes several lines of effort to combat drug use and trafficking. Its "Retaining Wall" (Muro de Contención) strategy promotes a coordinated effort to stop narcotics traffickers from entering the country; however Nicaragua does not have sufficient resources to have complete control of air, land, and sea borders. Nicaragua's capacity to conduct successful interdiction operations is further challenged by limited mobility and communications to patrol the sparsely populated regions in the Caribbean region, lack of dedicated air assets, and limited coordination between the Police, Navy, and the Air Force.

Conclusion

Nicaragua, in cooperation with the United States and others, worked to combat drug trafficking in 2016. The Government of Nicaragua implements an integrated strategy to develop policies and programs to combat drug trafficking, reduce drug demand, and enhance institutional coordination. The Nicaraguan government should continue its efforts to combat organized crime by expanding of its capacity to monitor air, land, and maritime space within the vulnerable Caribbean coast and the Pacific border regions of the country, which remain the primary routes for international drug trafficking. Attention should also be increased to broadening coverage of drug prevention programs and drug rehabilitation facilities.

In addition, the Government of Nicaragua should make a stronger, more consistent effort to cooperate with law enforcement bodies in the region. Institutional corruption and lack of judicial independence must also be addressed to improve the country's drug control efforts.

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

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

Nicaragua is principally a source and transit country for men, women, and children subjected to sex trafficking and forced labor. Nicaraguan women and children are subjected to sex trafficking within the country as well as in neighboring countries, most often in other Central American states, Mexico, and the United States. Trafficking victims are recruited in rural areas for work in urban centers—particularly Managua, Granada, and San Juan del Sur—and subsequently coerced into prostitution. Nicaraguan girls are subjected to sex trafficking in locations along the country's Atlantic Coast, where the lack of strong law enforcement institutions, a higher crime rate, and presence of drug trafficking increases the vulnerability of the local population. Nicaraguan adults and children are subjected to conditions of forced labor in agriculture, the informal sector, and domestic servitude within the country and in Costa Rica, Panama, and other countries. Children in artisanal mining and quarrying are vulnerable to labor trafficking within the country. Male migrants from other Central American countries transit Nicaragua en route to Panama in search of employment; some of them are vulnerable to labor trafficking in Panama. Nicaragua is a destination for child sex tourists from the United States, Canada, and Western Europe.

The Government of Nicaragua fully complies with the minimum standards for the elimination of trafficking. Authorities maintained strong efforts to investigate trafficking cases and prosecute and convict trafficking offenders, and continued robust prevention efforts, particularly through strengthening regional anti-trafficking working groups. The government continued to provide limited services to trafficking victims, though it was unclear how many victims were referred to specialized services during the year and services were weaker outside the capital. Prosecution, protection, and prevention efforts in the two Atlantic autonomous regions of Nicaragua continued to be much weaker than in the rest of the country. The government continued to lack comprehensive data on human trafficking investigations and prosecutions and identification of trafficking victims.

Latest US State Dept Terrorism Report 2009

Nicaragua made no substantive progress towards establishing a Financial Intelligence Unit or passing the counterterrorism bill first proposed in 2004. Nicaragua's judiciary remained highly politicized, corrupt, and prone to manipulation by political elites and organized crime and therefore remained a vulnerability that could be exploited by international terrorist groups. President Daniel Ortega's 2007 decision to grant Iranian and Libyan nationals visa-free entry into Nicaragua remained in effect.

President Ortega maintained close relations with the Revolutionary Armed Forces of Colombia (FARC). He also continued to provide safe haven to Doris Torres Bohórquez and Martha Perez Gutiérrez, two suspected FARC associates and survivors of the March 2008 Colombian military operation against the FARC. Both were granted asylum in Nicaragua and welcomed by President Ortega as survivors of "state-sponsored terrorism by Colombia." On October 12, Nicaragua refused Ecuador's request to extradite Torres and Perez on the grounds that doing so would violate their human rights. Senior FARC official Nubia Calderon de Trujillo continued to have humanitarian asylum in Nicaragua.[1]

There was no new information in the case of Alberto Bermudez (aka Rene Alberto Gutierrez Pastran, or "Cojo"), the FARC emissary granted a false Nicaraguan identity by Nicaragua's Supreme Electoral Council (CSE). However, in December, local media reported that the CSE provided official Nicaraguan identity documents for false identities to several suspected drug traffickers, including Amauri Paul (alias Alberto Ruiz Cano), a Colombian criminal who was involved in an attack against Nicaraguan counter-narcotics forces that killed two Nicaraguan Navy personnel.

No known terrorist groups operated openly in Nicaragua; however, both the FARC and the ETA (Basque Fatherland and Liberty) have retired or inactive members residing in Nicaragua.

During 2009, the U.S. Embassy had increasing difficulty obtaining information from or access to civilian officials of the government. In one instance, the government failed to comply with a routine evidence transfer request related to an arms-for-drugs case involving the FARC. Despite this, there were several U.S.- Nicaragua military-to-military counterterrorism-related exchanges during the year.

International Sanctions

None applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	26
World Governance Indicator – Control of Corruption	19

Corruption and Government Transparency - Report by Global Security

Political Climate

Nicaragua is among the poorest nations in the Americas, and corruption, embezzlement and nepotism have thrived in Nicaraguan politics for decades. Former President Enrique Bolaños (2002-2007) received widespread recognition for putting the fight against corruption on the political agenda and some high-profile convictions took place during his term in office - most notably the 2003 conviction of former President Arnoldo Alemán (1997-2002) who received a sentence of 20 years for money laundering, fraud and embezzlement. However, Bolaños struggled with implementing and enforcing anti-corruption reforms in a political space occupied primarily by supporters of Ortega and Alemán. Bolaños has also struggled himself to remain free of allegations of corruption related to his past as Vice President under Alemán.

The fight against corruption and wasteful government spending were featured prominently on President Ortega's electoral platform. However, President Ortega has failed to show satisfactory results in relation to these problems, and according to Alberto Novoa, former Attorney General, cited in Global Integrity 2011, Nicaragua is experiencing one of the most corrupt governments in its history, where corruption and impunity have soared under the current Ortega administration. Since President Ortega took office in January 2007, no high-level politicians or officials have been prosecuted for embezzling public funds. As one of the most visible setbacks, the Supreme Court overturned Alemán's conviction in January 2009 - a decision labelled as politically biased by opposition parties. Alemán's release from house arrest is in fact seen as a consequence of the Pacto Político (Political Pact), a power-sharing agreement between ex-President Alemán and President Ortega. The Pacto Político divides control over key governmental institutions between their respective political parties, the Liberal Party (PLC) and the Sandinistas (FSLN). Several observers agree that this institutional logjam has led to poor performances among formally independent institutions. Corruption and embezzlement is also fuelled by the immunity from prosecution enjoyed by members of the National Assembly, who also belong to the Pacto Político. Furthermore, the Pacto Político gives outgoing Presidents an automatic seat in the legislature, thus securing their immunity from prosecution. In 2009, the Supreme Court, dominated by Sandinista's friendly judges, overturned the National Assembly's effort to maintain the two-term presidential limit, as defined in the Constitution. As a result, Ortega was allowed to run for re-election in November 2011, in which he was re-elected for another five-year term, despite having reached the previous two term limit. The opposition alleged electoral fraud, but electoral observers had not witnessed any significant irregularities, as reported by BBC News in November 2011.

Poor governance and corruption have contributed to a further deterioration of living conditions and distrust in political parties is not only prevalent amongst the general public, but also the businesses executives surveyed in the World Economic Forum Global Competitiveness Report 2012-2013 who gave a score of 2.4 on a 7-point scale to the level of public trust in the ethical standards of Nicaraguan politicians (1 being 'very low' and 7'very high'). In addition, Latinobarómetro 2011 reports that 36% of the surveyed citizens believe that in order to improve the democracy in Nicaragua, corruption needs to be reduced, while 27% of the respondents pointed to a need for an increase in transparency of the government. Lack of integrity is reportedly a huge problem at the lower levels of public administration. Global Integrity 2011 highlights how nepotism and political affiliation play a major role in the appointment of civil servants. Although never a threat to the formal existence of democracy, the efficiency losses caused by dysfunctional public institutions, self-interested politicians, a cumbersome bureaucracy and politicisation of the civil service, have led the World Bank GRICS 2011 to rank Nicaragua lowest among Central American countries in government effectiveness.

Business and Corruption

Since the 1990s, the Nicaraguan business environment has been substantially liberalised. For instance, Nicaragua has abolished all WTO-inconsistent non-tariff barriers and has no commercially-based import prohibitions. Furthermore, the country has signed the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) that provides a framework for further market improvements and transparency, as it requires each participating government to ensure that bribery affecting trade and investment is treated as a criminal offence. However, the Nicaraguan business environment still suffers from several deficiencies and, as stated by the Bertelsmann Foundation 2012, corruption and a weak legal system pose the greatest threats to the free market economy of Nicaragua. Since 2007, Venezuela has provided a total USD 1.6 billion in aid to Nicaragua, helping the economy avoid the impact of the global financial crisis and more than offset the reduction in aid from Western donors. However, with Venezuela's economic woes increasing, this reliance may prove unsustainable. According to an April 2011 CS Monitor article, questions have also been raised on how this money is being spent, with vague titles given, such as "food security" and "other projects".

According to the World Economic Forum Global Competitiveness Report 2012-2013, companies cite corruption as the fifth most problematic factor for doing business in Nicaragua, after inefficient government bureaucracy, inadequate supply of infrastructure, inadequately educated workforce, and policy instability. According to the same report, business executives report that the diversion of public funds to companies, individuals or groups due to corruption is quite common. The World Bank & IFC's Enterprise Surveys 2010 report that 52% of companies list corruption as a major constraint. However, it must be noted that fewer companies (8%) report that they pay informal payments 'to get things done' compared to the world average of 26%. Cronyism and nepotism are banned as well as the payment of kickbacks for winning contracts. According to Global Integrity 2011, the previous Procurement Law No. 323 contained no known sanctions, and was replaced by the

Government Procurement Law (Law No.737, in Spanish). The new amendment closed many loopholes that existed in the previous version, especially the discretion given to the Controller General's Office to exclude certain purchases from competitive bidding in case of emergency or when in 'the public interest', according to the US Department of State 2013. However, as of June 2013, there is no data on its implementation. According to the Global Competitiveness Report 2012-2013, the surveyed business executives continue to indicate that the degree of favouritism in decisions of government officials relating to policies and contracts is high.

Companies should be prepared to deal with corruption when interacting with the registry and permit services; for example, when applying for construction and operating permits and when obtaining access to public utilities, such as electricity, water and telephone connections, as illustrated in the Enterprise Surveys 2010. Furthermore, the absence of effective anti-corruption agencies and whistle-blower mechanisms is a challenge for companies operating in Nicaragua, as it limits the options for reporting cases of corruption. Operating in an environment of inefficient and corrupt public institutions and services poses a challenge to both foreign and Nicaraguan companies. Business operations are complicated and investment is discouraged by a corrupt judicial system that is widely perceived as serving narrow political agendas. Foreign investors considering to establish themselves in Nicaragua are generally advised to consult with experienced attorneys to develop, implement and strengthen integrity systems, and to carry out extensive due diligence before committing funds and when already doing business in the country. In addition, companies are also recommended to use a specialised public procurement due diligence tool in order to mitigate corruption risks during procurement processes in Nicaragua.

Regulatory Environment

Formally, Nicaragua's anti-corruption legislative framework is in place. However, many problems still remain regarding its actual implementation. Checks and balances on powerful politicians are reportedly inadequate, making it fertile ground for grand corruption. The judicial system is also widely perceived to be corrupt and controlled by subjective political interests. Moreover, political connections and nepotism affect regulatory and procurement decisions and regulators are reported to have personal business interests within the sectors they regulate. Although the Access to Information Law was enacted in 2007, lack of transparency and access to information still remain serious problems, according to the US Department of State 2012. The same report states that the law provides exception for disclosure in cases related to national security and trade secrets.

Starting a business in Nicaragua is extremely costly compared to the regional average, and according to the World Bank & IFC Doing Business 2013, it amounts to 100.6% of GNI per capita – about 3 times the regional average and 22 times the OECD average. On the other hand, it takes 8 procedures and 39 days to start a business, which is less than the regional average. Filing business taxes is also very time-consuming, forming a clear competitive disadvantage as the procedure is unpredictable. The time spent obtaining construction permits corresponds with the regional average, but is much more expensive, amounting to 362% of the GNI per capita versus a regional average of 143.7%. Global Integrity 2008 states that rules governing building permits are clear and available to the interested parties. Foreign companies interested in investing in Nicaragua may find useful information on investment opportunities and commercial partners through ProNicaragua, an investment promotion agency established by the Government of Nicaragua, or NicaExport, hosted by the Nicaraguan Centre for Export Promotion. In addition, the Ministry of Development, Industry and Trade (MIFIC, in Spanish) operates Ventanilla Unica de Inversiones, a one-stop shop that provides investment and business licencing information to foreign and domestic investors. The MIFIC also published an investment guide, Doing Business in Nicaragua 2011, with practical information for investors.

According to the US Department of State 2013, resolving commercial disputes, particularly contract enforcement disputes, is one of the largest constraints to investment in Nicaragua. Resolving a dispute is very time-consuming, with Doing Business 2013 reporting that it takes an average of 409 days to enforce a commercial contract dispute at a cost of nearly 27% of the claim. Business executives in the World Economic Forum Global Competitiveness Report 2012-2013 rate the independence of the judiciary as very low. Furthermore, in relation to commercial dispute resolution, investors should note that local courts, especially in the Atlantic regions, frequently act without effective central government oversight. Investors can consult with ProNicaragua, which seeks to facilitate resolution of investment disputes. Nicaragua is a member of the International Centre for the Settlement of Investment Disputes (ICSID), and signatory of the New York Convention of 1958 and Inter-American Convention on International Commercial Arbitration, while the DR-CAFTA establishes an investor-state dispute settlement mechanism. Companies are generally advised to include international arbitration clauses in their business contracts in light of the uncertainties posed by the Nicaraguan judicial system. Access the Lexadin World Law Guide for a collection of legislation in Nicaragua.

Section 3 - Economy

Nicaragua, the poorest country in Central America and the second poorest in the Western Hemisphere, has widespread underemployment and poverty. The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) has been in effect since April 2006 and has expanded export opportunities for many agricultural and manufactured goods. Textiles and agriculture combined account for nearly 50% of Nicaragua's exports. In 2013, the government granted a 100-year concession to a newly formed Chinese-run company to finance and build an inter-oceanic canal and related projects, at an estimated cost of $40 billion. The economy grew 4.6% in 2013, despite a 33% decline in coffee export revenues due to a coffee rust fungus.

Agriculture - products:

coffee, bananas, sugarcane, rice, corn, tobacco, sesame, soya, beans; beef, veal, pork, poultry, dairy products; shrimp, lobsters, cotton

Industries:

food processing, chemicals, machinery and metal products, knit and woven apparel, petroleum refining and distribution, beverages, footwear, wood, electric wire harness manufacturing, mining

Exports - commodities:

coffee, beef, gold, sugar, peanuts, shrimp and lobster, tobacco, cigars, automobile wiring harnesses, textiles, apparel, cotton

Exports - partners:

US 54%, Canada 8.4%, Venezuela 7.4%, El Salvador 4.5% (2012)

Imports - commodities:

consumer goods, machinery and equipment, raw materials, petroleum products

Imports - partners:

US 18.8%, Venezuela 14.4%, Mexico 12.1%, Costa Rica 8.8%, China 7.8%, Guatemala 7.6%, El Salvador 5.1% (2012)

Banking

In the 1990s, the Nicaraguan Government privatized the banks that had been nationalized during the Ortega administration in the 1980s. In 1999-2001, four banks collapsed as the result of fraud and mismanagement on the part of bank officers. Stability returned to the banking system after the government engineered the transfer of assets and liabilities from the failed banks to several healthy banks. However, the government was forced to issue bonds to finance the purchase of distressed assets. These bonds have become unduly politicized and the subject of two rounds of renegotiations. In 2008, the government filed criminal charges against a former finance minister who refinanced the bonds issued by the government in 2003, as well as other former government officials and banking executives, in what many view as an effort to discredit them politically.

Through the Heavily Indebted Poor Country Initiative (HIPC), the Multilateral Debt Reduction Initiative, and the World Bank's Commercial Debt Buyback Program, the Nicaraguan Government has been able to significantly reduce external debt from more than $12 billion in 1990 to $3.6 billion (58% of GDP) as of September 2010.

Foreign banks have acquired a presence in Nicaragua through the purchase of local banks.

Stock Exchange

The Stock Exchange of Nicaragua (Bolsa de Valores de Nicaragua or BVDN) was created in 1994 and is the sole stock exchange in the country.

Section 4 - Investment Climate

Openness to Foreign Investment

Legal Framework

The Free Trade Agreement between the United States, Central America, and the Dominican Republic (CAFTA-DR) entered into force on April 1, 2006, for the United States and Nicaragua. The CAFTA-DR Investment Chapter establishes a secure, predictable legal framework for U.S. investors in Central America and the Dominican Republic. The agreement provides six basic protections: (1) nondiscriminatory treatment relative to domestic investors and investors from third countries; (2) limits on performance requirements; (3) the free transfer of funds related to an investment; (4) protection from expropriation other than in conformity with customary international law; (5) a minimum standard of treatment in conformity with customary international law; and (6) the ability to hire key managerial personnel without regard to nationality. The U.S. Agency for International Development continues to provide support for the implementation of CAFTA-DR. The full text of CAFTA-DR is available at http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta/final-text.

In addition to CAFTA-DR, Nicaragua's Foreign Investment Law defines the legal framework for foreign investment. The law allows for 100% foreign ownership in most industries (see Right to Private Ownership and Establishment for exceptions). It also establishes the principle of national treatment for investors, guarantees foreign exchange conversion and profit repatriation, clarifies foreigners' access to local financing, and reaffirms respect for private property.

Other major laws governing foreign investment include the Temporary Entry Law, which allows for the duty free import of machinery, equipment, raw materials, and supplies for companies exporting the majority of their production (see Performance Requirements and Incentives); the Export Processing Zone Law (see Foreign Trade Zones / Free Trade Zones); the Tax Equity Law (see Performance Requirements and Incentives); the Banking Law (see Conversion and Transfer Policies and Performance Requirements and Incentives); and a series of intellectual property laws (see Protection of Property Rights). In 2006, the Nicaraguan National Assembly approved a Competition Law, which has been in effect since 2010 (see Transparency of the Regulatory System). The National Assembly provides Spanish-language text of these and other Nicaraguan laws, which are available at http://www.asamblea.gob.ni/

PRONicaragua, the Nicaraguan government's investment promotion agency, has collaborated with the American Chamber of Commerce in Nicaragua (http://www.amcham.org.ni/) to create a Guide to Doing Business in Nicaragua, available at http://www.pronicaragua.org/images/stories/guia_inversionista/DOING_BUSINESS2012.pdf.

Policy Environment

Several factors contribute to a complex policy environment for foreign investors. President Ortega's harsh rhetoric against the United States, capitalism, and free trade has had a negative effect on foreign investor perceptions of risk. Government officials frequently deride "neoliberal" policies and the "tyranny of capitalism" and criticize foreign investors for paying "slave wages." President Ortega has repeatedly suggested that it was a mistake to privatize the telecommunications and energy industries, where a number of foreign firms have invested. He has declared that "imperialist capitalism" has failed. His stated objective is now to implement socialism in Nicaragua, which he further defines as a mixed economy where "not all economic power is for the state." Despite these statements, his administration has largely left the private sector alone, and has not nationalized businesses or utilities. For official copies of speeches in Spanish, see www.presidencia.gob.ni and www.conamornicaragua.org.ni.

In October 2007, during the first year of Daniel Ortega's second term in office (he previously served as president in the 1980s), Nicaragua signed a 3-year Poverty Reduction and Growth Facility with the International Monetary Fund. As part of the IMF program, the GON agreed to implement free market policies linked to targets on fiscal discipline, poverty spending, and energy regulation. The subsequent reviews have included commitments by the Nicaraguan government to implement free market policies linked to targets on fiscal discipline, spending on poverty, and energy regulation. Adherence to these commitments has allowed the government to maintain macroeconomic stability, including low inflation and a stable exchange rate. The GON has consistently met most of the quantitative targets set out in the agreement. In November 2010, the IMF approved a one-year extension of the arrangement, despite the IMF's concern regarding the lack of transparency of funds generated by the Bolivarian Alliance for the Americas (ALBA), which are off-budget and not subject to National Assembly approval (see: Competition from State Owned Enterprises**)**. In October 2011, the IMF approved the seventh review concluding the four year program. As of January 2013, the GON is in negotiations with the IMF for a new extended credit facility

In the wake of elections in 2008, 2011 and 2012 marred by allegations of fraud on the part of the ruling Sandinista National Liberation Front (FSLN) and continued lack of transparency in the budget, the government has lost budget support previously provided by European donors. In June 2011the Board of the Millennium Challenge Corporation (MCC) terminated MCC's compact assistance to Nicaragua for activities totaling $62 million for road construction and property regularization over concerns that the Nicaraguan Government had not adequately addressed allegations of fraud related to the municipal elections in November 2008.

Immediately upon beginning his term as president in January 2007, President Ortega signed Nicaragua onto the Bolivarian Alliance for the Americas (ALBA) with Cuba, Dominica, Ecuador, Bolivia, and Venezuela. President Ortega has used funds generated by an ALBA oil monetization scheme to increase the participation of his party, the FSLN, in the economy (see Competition from State Owned Enterprises).

On several occasions, the government has used its tax and customs authorities to pressure individuals and companies into accepting noncommercial terms in concessions or contracts (see Dispute Settlement, Transparency of the Regulatory System, and Expropriation and Compensation for examples). High profile rulings by the courts and oversight agencies are unpredictable and widely believed to be politicized. Public opinion surveys indicate that many Nicaraguans believe corruption is endemic to government (see Corruption).

The National Assembly has passed many laws during the last few years intended to improve Nicaragua's business competitiveness. Nonetheless, according to the World Bank's Governance Indicators 2011 study, Nicaragua ranks in the 18th percentile of countries in terms of Government Effectiveness (http://info.worldbank.org/governance/wgi/sc_country.asp). The World Economic Forum's Global Competitive Index for 2012-13 ranked Nicaragua 108 of 144 countries included in the study (http://reports.weforum.org/global-competitiveness-report-2012-2013/#=) . In 2013, the Heritage Foundation Index of Economic Freedom put Nicaragua 110th worldwide for economic freedom (http://www.heritage.org/index/).

Measure	Year	Index/Ranking
Heritage Economic Freedom	2013	110th
World Bank Doing Business	2013	119th
MCC Government Effectiveness	2013	47%
MCC Rule of Law	2013	71%
MCC Control of Corruption	2013	56%
MCC Fiscal Policy	2013	83%
MCC Trade Policy	2013	100%
MCC Regulatory Quality	2013	82%
MCC Business Start Up	2013	27%
MCC Land Rights Access	2013	76%
MCC Natural Resource Management	2013	73%

Conversion and Transfer Policies

The Foreign Investment Law (2000/344) and the Banking, Nonbank Intermediary, and Financial Conglomerate Law (2005/561) allow investors to freely convert and transfer funds associated with an investment. Article 10.8 of CAFTA-DR ensures the free transfer of funds related to a covered investment. Local financial institutions freely exchange U.S. dollars and other foreign currencies. Foreigners may open bank accounts, but the process can be cumbersome and time consuming. The Superintendent of Banks and other Financial Institutions (SIBOIF) monitors financial transactions for illicit activity.

The official exchange rate is adjusted daily by the Central Bank according to a crawling peg that devaluates the Córdoba against the U.S. dollar at an annual rate of 5%. The official exchange rate as of December 31, 2012, was 24.12 Córdobas to one U.S. dollar. According to the Nicaraguan Central Bank, the accumulated rate of inflation for 2011 was 7.95%, and accumulated inflation through November 2012 was 4.9%.

Expropriation and Compensation

During the 1980s, the Sandinista government confiscated close to 28,000 properties in Nicaragua. Since 1990, thousands of U.S. citizens have filed claims against the government to have their property returned or receive compensation. As of January 28, 2013, the Nicaraguan Government had resolved more than 4,800 U.S. citizen claims, and a total of 300 Embassy-registered U.S. claims remain. Since taking office in January 2007, the administration of President Ortega has resolved 298 claims, including 19 during the current waiver year.

The U.S. Embassy in Nicaragua works mainly with the Nicaraguan Attorney General's office to facilitate the progress of U.S. citizens' claims in the administrative process. The administrative process refers to registering the claim with the Attorney General's office and obtaining compensation in the form of bonds or return of the property. A U.S. citizen with such a claim may contact ManaguaPropOffice@state.gov.

The USG remains concerned about the continuing problem of land invasions and infringement of private property rights affecting U.S. citizens. While some of these properties have a long history of conflict, several are the victims of a new wave of invasions that have become violent in nature. The CAFTA-DR Investment Chapter prohibits expropriation unless for a public purpose. The government must pay prompt, adequate, and effective compensation.

See Protection of Property Rights for a description of other forms of land security problems affecting investors.

Performance Requirements and Incentives

Performance Requirements
Nicaragua's labor code states that 90% of all employees, not including management posts, must be Nicaraguan. The Law on Promotion of National Artistic Expression and Protection of Nicaraguan Artists (1996/215) requires that foreign production companies contribute 5% of total production costs to a national cultural fund. In addition, the law requires that 10% of the technical, creative, and/or artistic staff be locally hired. Under CAFTA-DR, U.S. companies are exempt from these requirements.

Investment Incentives
The Tax Equity Law (amended 2009/712) allows firms to claim an income tax credit of 1.5% of the free-on-board (FOB) value of exports. The Law of Temporary Admission for Export Promotion (2001/382) exempts businesses from value-added tax (VAT) for the purchase of machinery, equipment, raw materials, and supplies duty if used in export processing.

Businesses must export 25% of their production to take advantage of these tax benefits. This law was amended (2012/817), with a reform made to Article 30. The amendment states that the National Commission for the Promotion of Exports (CNPE) will be presided by the Minister of Trade (MIFIC) and will consist of four Ministers, the Presidential Delegation for Investment Promotion and Trade Facilitation and five private sector representatives of export associations. All members may appoint their alternates in case of absence, and the private sector representatives shall be renewed every two years. See Foreign Trade Zones/Free Trade Zones for a description of incentives for investments in free trade zones.

The Fishing and Fish Farming Law (2004/489) exempts gasoline used in fishing and fish farming from taxes. Investors in the sector must register with the Directorate General for Natural Resources in the Ministry of Trade, Industry, and Development and with the Nicaraguan Fishing and Aquaculture Institute (INPESCA). This law was amended (2012/797), with a reform made to Article 111. The amendment allows individuals or companies to request a temporary permit to take advantage of unexploited or underexploited aquatic resources during closed season. Environmental regulations also apply (see Transparency of the Regulatory System).

The Forestry Conservation and Sustainable Development Law (2003/462) establishes preferential property tax rates and income tax exemptions, in addition to duty and tax exemptions, for inputs and capital goods used in forestry projects. Restrictions on the export of forest resources complicate investment in this industry (see Transparency of the Regulatory System).

The Hydroelectric Promotion Law (amended 2005/531) and the Law to Promote Renewable Resource Electricity Generation (2005/532) provide incentives to invest in electricity generation, including duty free imports of capital goods and income and property tax exemptions. Regulatory concerns limit investment despite these incentives (see Transparency of the Regulatory System). In particular, private investment in hydroelectric dams is banned from the Asturias, Apanás, and Río Viejo Rivers, and the approval of the National Assembly is required for projects larger than 30 megawatts on all other rivers.

The Special Law on Mining Prospecting and Exploitation (2001/387) exempts mining concessionaires from import duties on capital inputs (see Transparency of the Regulatory System for additional information on the mining sector).

The Tourism Incentive Law (amended 2005/575) includes the following basic incentives for investments of $30,000 or more outside Managua and $100,000 or more within Managua: income tax exemption of 80% to 90% for up to 10 years; property tax exemption for up to 10 years; exoneration from import duties on vehicles; and value added tax exemption on the purchase of equipment and construction materials. The General Tourism Law (amended 2010/724) stipulates that hotel owners pay a tax of $0.50 per customer and 2% of the rental rate per room for tourism promotion. It also imposes anti-discrimination, public health, and environmental regulations on tourism-oriented businesses.

The Foreign Retirees and Residents Law (2009/694) provides tax exemptions for imported household goods and scientific or professional equipment, personal vehicles and car rentals, and construction materials to build homes for personal use. Retirees and residents are also exempt from paying a guaranty bond, a requirement for foreigners seeking residency in

Nicaragua. A foreign retiree or resident must be at least 45 years old with a monthly income of $600 to $750 to receive these tax exemptions and other incentives.

Right to Private Ownership and Establishment

In 1992, the Nicaraguan Government began to privatize small state-owned companies that the first Ortega government had nationalized or established in the 1980s. Subsequent privatization programs managed by the World Bank and Inter-American Development Bank sold state-owned telecommunications and electricity generation and distribution companies. Over the past 15 years, Nicaragua has privatized more than 350 state enterprises. In 2011, there was talk of privatizing the public water service, but as of December 2011, no official changes have been made. It has been alleged that members of the current government administration have purchased businesses using state resources.

The government owns and operates the National Sewer and Water Company (ENACAL), National Port Authority (EPN), and National Electricity Transmission Company (ENTRESA). Private sector investment is not permitted in these sectors. In sectors where competition is allowed, the government owns and operates the Nicaraguan Insurance Institute (INISER), Nicaraguan Electricity Company (ENEL), Las Mercedes Industrial Park, Nicaraguan Food Staple Company (ENABAS), and Nicaraguan Petroleum Company (Petronic). Through the Nicaraguan Social Security Institute (INSS), the government owns a pharmaceutical manufacturing company, Laboratorios Ramos.

The government enjoys exclusive rights to manage public social security pension funds (see Efficient Capital Markets and Portfolio Investment). In 2000, Spanish company Union Fenosa purchased the rights to operate both the north and the south electricity distribution companies from ENEL (see Transparency of the Regulatory System). However, operation of the concession has suffered greatly from weak regulatory oversight and the lack of a supportive legal regime. In 2007, the government purchased 16% of Union Fenosa's operations in Nicaragua. Due to heavy losses, primarily as a result of an inefficient grid and electricity theft, in January 2013 Union Fenosa sold the electricity distributer to two Spanish entities.

The military pension fund has invested in many sectors, especially retail and construction. These companies compete with privately owned businesses.

Protection of Property Rights

Real Property

Many foreign investors in Nicaragua experience difficulties defending their property rights. The expropriation of 28,000 properties in Nicaragua the 1980s has resulted in a large number of claims and counter claims involving real estate. Property registries suffer from years of poor recordkeeping, making it difficult to establish a title history. Unscrupulous individuals have engaged in protracted confrontations with U.S. investors to wrest control of beachfront properties along the Pacific coast in the Departments of Carazo, Rivas, and Chinandega, as well as prime real estate in the cities of Managua, Granada, and Leon. Judges and municipal authorities have been known to collude with such individuals, and a cottage industry supplies false titles and other documents to those who scheme to steal land.

In recent years there has been an increase in reports of land invasions. President Ortega has declared on numerous occasions that the government will not act to evict those who have illegally taken possession of private property. Police refuse to intervene in property invasion cases and will not assist in the enforcement of court orders to remove illegal occupants. In addition, Citizen Power Councils (CPCs) affiliated with the ruling FSLN have led some land invasions (see Political Violence). The Embassy is working with several U.S. citizens to press the Nicaraguan government to protect the right to due process for the lawful owners of property in Nicaragua.

Those interested in purchasing property in Nicaragua should seek legal counsel to represent their interests in the transaction. The Embassy maintains a list of attorneys, available at http://nicaragua.usembassy.gov/attorneys_registered_at_embassy_managua.html. The government's investment promotion agency, PRONicaragua, also offers assistance with due diligence (http://www.pronicaragua.org/index.php?lang=en).

The Capital Markets Law (2006/587) provides a legal framework for securitization of movable and real property. The banking system is expanding its loan programs for housing purchases, but there is no secondary market for mortgages. See Efficient Capital Markets and Portfolio Investment for more information on the financial sector.

Intellectual Property

CAFTA-DR made Nicaraguan standards for the protection and enforcement of IPR consistent with U.S. and emerging international intellectual property standards. To implement the agreement, Nicaragua has strengthened its legal framework to 1) provide state-of-the-art protections for digital products such as software, music, text and videos; 2) afford stronger protection for patents, trademarks, and test data, including an electronic system for the registration and maintenance of trademarks; and 3) deter piracy and counterfeiting.

The legal regime for protection of intellectual property rights (IPR) in Nicaragua is adequate, but enforcement of intellectual property law has been limited. In 2009, the Nicaraguan Government focused on improving interagency cooperation on IPR enforcement against copyright and trademark infringement. The Nicaraguan Government also improved its cooperation with private industry to combat IPR crimes in some areas, such as identifying vendors of pirated goods and offering training to Nicaraguan police officers. Despite Nicaragua’s efforts, the United States continues to be concerned about the piracy of optical media and trademark violations in Nicaragua. The United States also has concerns about the implementation of Nicaragua's patent obligations under CAFTA-DR, including the mechanism through which patent owners receive notice of submissions from third parties, how the public can access lists of protected patents, and the treatment of undisclosed test data. The United States has expressed concern to the Nicaraguan government about inadequate IPR enforcement.

Nicaraguan IPR laws, made available online by the National Assembly (http://www.asamblea.gob.ni/), include:

- Patent, Utility Model, and Industrial Design Law (amended 2007/634)
- Copyright and Related Rights Law (amended 2006/577)
- Satellite Signal Programming Protection Law (amended 2006/578)

- Trademark and Other Distinctive Signs Law (amended 2006/580)
- Plant Variety Protection Law (1999/318)

Nicaragua is a signatory to the following international conventions and agreements on intellectual property:

- Mexico Convention on Literary and Artistic Copyrights (1902)
- Buenos Aires Convention on Literary and Artistic Copyrights (1910)
- Inter-American Copyright Convention (1946)
- Universal Copyright Convention (Geneva 1952 and Paris 1971)
- Bern Convention for the Protection of Literary and Artistic Works (1971)
- Geneva Convention for the Protection of Producers of Phonograms (1971)
- Brussels Satellite Convention (1974)
- International Convention for the Protection of New Plant Varieties (1978)
- Agreement on Trade-Related Aspects of Intellectual Property Rights (1994)
- Paris Convention for the Protection of Industrial Property (1996)
- The World Intellectual Property Organization (WIPO) Copyright Treaty and Performances and Phonograms Treaty (2002)

Transparency of Regulatory System

According to the Governance Matters 2011 report published by the World Bank, Nicaragua is in the 40th percentile among countries worldwide for regulatory quality. Investors regularly complain that regulatory authorities are arbitrary, negligent, or slow to apply existing laws-at times in an apparent effort to favor one competitor over another. Lack of a reliable means to quickly resolve disputes with government administrative authorities or business associates has resulted in some disputes becoming intractable (see Dispute Settlement).

The Law to Simplify Administrative Processes and Services (2009/691) streamlines the procedures for establishing a business. See *Chapter 3 of the Country Commercial Guide: Selling U.S. Products and Services*, for information on regulatory issues related to establishing an office.

The Competition Promotion Law (2007/601) allowed for the creation of a decentralized institution, PROCOMPETENCIA, to investigate and discipline businesses engaged in anticompetitive business practices, including price fixing, dividing territories, exclusive dealing, and product tying. PROCOMPETENCIA has staff and began to operate in 2010. This law was amended (2008/668), with reforms made to Articles 7, 8 and 50, Articles that deal with, respectively: the selection of members; voting procedures; and the length of the terms of board members. The Digital Signature Law (2010/729) extends legal validity to electronic signatures and digital certificates to facilitate business and government transactions, especially international transactions. The governing body for the accreditation of an electronic signature is the Director General of Technology, which is part of the Ministry of Finance and Public Credit.

The Special Law on Inventory of Select Materials for Infrastructure (2010/730) allows the Ministry of Transportation and Infrastructure to directly negotiate the purchase of materials or land from land owners and to lower the cost of road projects. It also allows the government to declare eminent domain when necessary. Other entities, such as the Ministry of Energy and Mines and the Ministry of Natural Resources and the Environment, may issue permits and licenses for the use of those public domain materials that are related to energy, mines, and natural resources.

The Trust Law (2011/741) provides a legal framework for any individual with ownership over certain property to transfer it to another individual in order for them to use the property.

The Government Procurement Law (amended 2010/737) establishes safeguards to encourage open competition among suppliers bidding on government contracts. The law states that government purchase of goods and services must be openly competed. All government purchases must be planned and approved by procurement committees within each public entity. The 2010 amendments to the law close the many loopholes that existed in the previous version, especially the discretion given to the Controller General's Office to exclude certain purchases from competitive bidding in case of emergency or when in "the public interest." The new amendment eliminates many of the ambiguities that allowed favoritism and unfair competition. The law allows for foreign contractors to bid on projects alongside locally registered companies. While foreign companies do not have to register locally in order to take part in the bidding process, they must present documentation from their home countries in order to prove that they are qualified bidders. If a foreign company wins a bid, it will need to register with the Nicaraguan government. CAFTA-DR also stipulates that foreign companies receive national treatment when bidding on government contracts. However, there are still many allegations of irregularities in the procurement process, in particular the splitting of procurements into smaller lots, an action which allows the government to use a different set of regulations that creates a less competitive bidding process. The GON spends approximately $385 million annually in contracted projects and purchases.

The General Law for Insurance, Reinsurance, and Bonds (2010/733) provides a legal framework for the regulation of the insurance industry and all related services, such as, but not limited to, foreign insurance companies with branches established in Nicaragua, insurance subsidiaries, reinsurance entities, warranty services, and insurance brokers. The Superintendent of Banks and Financial Institutions is responsible for authorizing, regulating and overseeing all the companies and individuals that are involved in the insurance sector. Any foreign insurance company that wishes to establish branches in Nicaragua must comply with this law and request authorization from the Superintendent before establishing a presence. The Superintendent may only approve such requests from insurance companies that have been established in their country of origin for more than 5 years and when there are bilateral cooperation agreements among Nicaraguan insurance authorities and corresponding authorities from the country of origin. All insurance services rendered in Nicaragua and regulated by this law must comply with antitrust principals. The law prohibits private agreements between two or more companies of this sector that may negatively affect the basis of this principal. Insurance companies, brokers, subsidiaries and all related agencies must render a fee equivalent to a percentage of their commissions to the Superintendent's Office, in virtue of contributing to the annual budget of this government office.

The Consumer Defense Law (1994/182) includes a consumer bill of rights that establishes minimum standards for product safety and quality as well as for truth in marketing. Under this law, the Consumer Defense Directorate of the Ministry of Trade, Development, and

Commerce (MIFIC) may investigate business and levy fines. The Ministry of Public Health, Directorate General of Sanitary Regulation, regulates the sale of food and drugs (including cosmetics), while the Ministry of Agriculture and Forestry is responsible for plant and animal health issues (see Chapter 5 of the Country Commercial Guide: Trade Regulations, Customs, and Standards, for further information on food, drug, and consumer product regulation). Government resources to enforce these public health and safety regulations are limited, especially in informal markets.

The Directorate General of Taxation in the Ministry of Finance and Public Credit (MHCP) collects income and value-added taxes, as set forth in the most recent version of the Tax Code (2006/598). MHCP's Directorate General of Customs collects customs duties (see Chapter 5 of the Country Commercial Guide: Trade Regulations, Customs, and Standards for further information on customs procedures). Investors cite arbitrariness in taxation and customs procedures, as well as a lack of delegation of decision-making authority. Tax audits of foreign investors have increased in frequency and duration, to the point where they may hinder normal business operations. Investors also complain that customs authorities wrongly classify goods to boost tariff revenue. The Embassy has received numerous complaints from investors and non-governmental organizations about goods and donations being held up in customs without legal reason.

The Environment and Natural Resources Law (amended 2008/647) authorizes the Directorate General for Environmental Quality in the Ministry of Natural Resources and the Environment (MARENA), to evaluate investment plans and monitor ongoing operations to verify compliance with environmental standards. The Law on Crimes against the Environment and Natural Resources (2005/559) includes additional environmental standards. Some investors complain that MARENA takes political considerations into account in determining whether to issue an environmental permit. Budgetary constraints limit MARENA's ability to enforce environmental standards.

The Law Prohibiting Logging (2006/585) banned the export of timber. However, Presidential Decree 48 (2008) allows the collection of trees felled by Hurricane Felix in the RAAN for export. Lack of infrastructure and regulatory bureaucracy have caused much of the hurricane timber to remain unharvested. The U.S. Embassy has received several reports of scams involving RAAN timber concessions which defrauded U.S. investors of significant sums of money.

The Coastal Law (2009/690) provides a framework for environmental protection, public access rights, commercial activity, and property rights along the shoreline of any body of water in Nicaragua. For coastal property along the Atlantic and Pacific Oceans, the law establishes environmental and public access requirements. It recognizes beachfront property rights within this area, but gives municipalities zoning authority. The waterfront area for public use is defined as the open area between low tide and high tide, plus 50 meters from the average maximum high tide mark to the mainland. On islands of more than two square kilometers with a permanent population, the coastal zone is defined by the historical average of the maximum level of water in winter, or in the case of tides, five meters to the mainland. There is a five-meter setback, measured from the high-water mark, for natural lakes, artificial lakes, rivers, and other bodies of water. The law establishes a Commission for Coastal Zone Development (CDZC) to provide technical assistance and advice to municipalities on coastal development and management, and on concessions for use of public land. Developers have expressed concern that the government implements measurement techniques outside of those stipulated by the law.

In addition to environmental regulation, mining investments are regulated under the Special Law on Mining Prospecting and Exploitation (2001/387), which the Ministry of Energy and Mines (MEM) administers. MEM also retains the authority to grant oil and gas exploration concessions. In 2007, the Supreme Court ruled that several oil exploration concessions had been awarded without proper consultation with the governments of the autonomous regions on the Atlantic coast, even though the concessions were situated outside recognized regional waters. The matter was subsequently resolved through negotiation. Article 74 of this law was amended (2005/525), stating that non-metallic mining concessions must pay: for the right of extraction, for the surface rights of the mining concession; and income taxes. Concession holders cannot be compelled to pay the state for any other services and taxes.

In November 2009, the Committee on Infrastructure and Public Services in the Nicaraguan National Assembly decided to allow MEM to directly issue licenses for study, exploration, and the eventual exploitation of geothermal energy throughout the country (2009/714). These reforms to the Law of Exploration and Exploitation of Geothermal Resource (Law 433) allow MEM to negotiate directly with any investor interested in geothermal exploration without public bidding or licensing process.

The Electricity Sector Law (amended 2004/465), Energy Stability Law (amended 2008/644), and Electricity Distribution and Use Law (2008/661, amended 2010/731) establish the legal framework for the electric power sector. The Ministry of Energy and Mines Law (612/2007) sets policy for the sector and grants licenses and concessions to investors, while the Nicaraguan Energy Institute sets prices and regulates day-to-day operations. Investment in transmission and distribution is limited by law (see Right to Private Ownership and Establishment) The Renewable Source Electricity Generation Law (2005/532) established tax, financial and economic incentives that contribute to renewable energy development within Nicaragua, exonerating hydroelectric, geothermal, wind, and solar energy investors and producers of many taxes. Investment in renewable energy in Nicaragua is growing, attracting an estimated $1.1 billion in investment from 2006-2011 for wind, solar, geothermal, and hydroelectric projects. A number of new renewable energy projects are either under construction or being planned. Climatescope named Nicaragua the second best country in Latin America to invest in renewable energy trailing only Brazil. Approximately 25% of the Nicaraguan population has no access to the electric grid, the highest rate in the region. Through the Sustainable Electrification and Renewable Energy National Program (PNESER), Nicaragua is investing approximately $400M to expand and improve its transmission and distribution capabilities. The Inter-American Development Bank (IDB) has disbursed two loans totaling $52.5M for PNESER, and plans to disburse a third loan totaling $35M in 2013. Other international financial institutions like the Central American Bank for Economic Integration and the European Investment Bank are involved in PNESER. Nicaragua has the highest electricity loss rate (approximately 21%) in Central America due to theft and technical inefficiencies in the electric grid. That loss rate has improved from 26% in 2008, but more investment in the grid is needed to bring the loss rate to an acceptable level of 8-9%.

Under CAFTA-DR, Nicaragua is committed to opening its telecommunications sector to U.S. investors, service providers, and suppliers. In practice, the sector lacks a regulatory framework that would encourage free competition. Enitel, the former state telephone company now owned by a Mexican investor, and operating under the name Claro, operates all fixed lines and competes in the mobile phone, internet and cable television markets. In 2006, the Supreme Court blocked an effort by the Nicaraguan Institute for Telecommunications and Postal Service (TELCOR), which is the telecommunications regulator, to obligate Enitel-Claro to make available its telecommunications infrastructure to other fixed and mobile phone operators. Spanish owned Movistar is the second mobile phone operator in the country, and competes against Claro. Claro is the primary cable television provider, but in certain parts of the country unregulated cable providers operate. In a widely criticized concession process, TELCOR awarded radio spectrum in September 2009 to Russian firm Yota which has close ties to senior government officials. In January 2013, in yet another questionable concession process, TELCOR awarded a mobile phone contract to Chinese firm Xinwei. The executive branch has proposed legislation that would strengthen TELCOR's regulatory capacity and improve competition among telephone companies. However, some have expressed concern that it would allow the government to introduce political factors in the renewal of broadcast licenses.

Efficient Capital Markets and Portfolio Investment

In the 1990s, the Nicaraguan Government privatized the banks that had been nationalized during the Ortega administration in the 1980s. In 1999-2001, four banks collapsed as the result of fraud and mismanagement on the part of bank officers. Stability returned to the banking system after the government engineered the transfer of assets and liabilities from the failed banks to several healthy banks. However, the government was forced to issue bonds to finance the purchase of distressed assets. These bonds have become unduly politicized and the subject of two rounds of renegotiations.

Through the Heavily Indebted Poor Country Initiative (HIPC), the Multilateral Debt Reduction Initiative, and the World Bank's Commercial Debt Buyback Program, the Nicaraguan Government has been able to significantly reduce external debt from more than $12 billion in 1990 to roughly $4.17 billion (55.1% of GDP) as of September 2012.

Among other services, local financial institutions offer commercial loans, credit lines, factoring, leasing, and bonded warehousing. Lafise, BANPRO and BAC constitute the largest financial institutions in Nicaragua, competing also with five other much smaller banks. Nicaraguan banks remain highly conservative in their lending practices, and the vast majority of their portfolios are centreed in Managua and a few select agricultural regions. For most Nicaraguans mired in poverty, the prospect of obtaining a loan from these institutions remains out of reach. The Foreign Investment Law allows foreign investors to access local credit. However, many investors find lower cost financing and more product variety from offshore banks. Short-term government and Central Bank bonds, issued in Córdobas but indexed to the dollar, dominate Nicaragua's infant capital market. U.S. and other foreign banks have acquired a presence in Nicaragua through the purchase of local banks. In 2007, Citigroup acquired Grupo Financiero Uno, a Nicaraguan bank with a large consumer credit portfolio throughout Central America. GE Money owned 100% of the Bank of Central America. In July 2010 Grupo Aval, Colombia's largest financial holding company, purchased BAC-Credomatic for $1.9 billion.

Microfinance institutions are an important source of capital for small businesses in Nicaragua. The twenty members of the Nicaraguan Association of Microfinance Institutions manage loan portfolios of approximately $145 million. In July 2008, President Ortega called for Nicaraguans to halt payments on their microfinance loans and demand renegotiation of "usurious" interest rates. Later that month, mobs attacked several microfinance institutions in northern Nicaragua, forcing them to close for several weeks in July 2008 and restrict operations throughout 2009. President Ortega reversed his position in January 2009, advising Nicaraguans to repay their loans, but many microfinance institutions report that delinquency rates increased significantly in the interim. As a result of these developments, a violent so-called "nonpayment" movement (known in Nicaragua as "No Pago") has emerged in Nicaragua as a serious threat to the microfinance sector. Responding to this movement, in February 2010, the National Assembly passed the Moratorium Law (2010/716), which entered into force in April 2010. The Moratorium Law mandates that Nicaraguan microfinance institutions renegotiate loans with debtors who were in arrears as of June 30, 2009, at 16% interest and on generous terms. The law has been sharply criticized by Nicaraguan MFIs, banks, and international creditors, as well as by the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB). In addition, an embezzlement scandal at one of the largest microfinance institutions has illustrated the risk that lax oversight and institutional weaknesses represent for the sector. In June 2011, the National Assembly passed legislation designed to regulate better the microfinance sector, in an attempt to encourage renewed investment. The legislation created a new regulatory body, CONAMI, which in 2012, started registering microfinance institutions

The banking system has experienced high levels of liquidity. In 2011 bank deposits decreased from 52.8% of GDP to 50.1% of GDP. The primary cause was an influx of funds from Venezuela through the Bolivarian Alliance of the Americas (ALBA) mechanism, and the adoption of more restrictive lending policies by banks. In August 2010, BANEX -- Nicaragua's seventh-largest bank -- was liquidated as the result of a questionable lending portfolio and the effects of the so-called No Pago (No Payment) movement on default rates.

As of November 2012, total deposits in the banking system had reached $3.65 billion, of which $2.67 billion was held in foreign currency (U.S. dollars and Euros). Interest rates on savings accounts averaged 1.14% in November 2012 for accounts denominated in Córdobas and 0.84% for accounts denominated in U.S. dollars. The banking system's loan portfolio totaled $2.8 billion as of November 2012. Interest rates on loans denominated in Córdobas averaged 12.49%; loans denominated in U.S. dollars averaged 9.37%.

The Superintendency of Banks and other Financial Institutions Law (amended 2006/576) and the General Law on Banks, Financial Institutions, Nonbank Financial Intermediaries, and Financial Conglomerates (2005/561) establish the legal framework for financial sector regulation. [see above for further information on microfinance institutions] The Superintendency of Banks and other Financial Institutions (SIBOIF) regulates banks, insurance companies, stock markets, and other financial intermediaries. SIBOIF requires that supervised entities provide audited financial statements, prepared according to international accounting standards, on a regular schedule. The Deposit Guarantee System Law (2005/551) established the Financial Institution Deposit Guarantee Fund (FOGADE) to guarantee bank deposits up to $10,000 per depositor, per institution.

CAFTA-DR allows U.S. financial services companies to establish subsidiaries, joint ventures, or bank branches in Nicaragua. The agreement also allows cross-border trade in financial services. Nicaragua has ratified its commitments under the 1997 WTO Financial Services

Agreement. These commitments cover most banking services, including the acceptance of deposits, lending, leasing, the issuing of guarantees, and foreign exchange transactions. However, they do not cover the management of assets or securities. Nicaragua allows foreign banks to operate as 100% owned subsidiaries or as branches.

The Nicaraguan Social Security Institute (INSS), a government agency, manages a pension fund for private and public sector employees. INSS is the primary buyer of Nicaraguan sovereign debt; the government has also tapped INSS resources to finance housing projects. The October 2007 Poverty Reduction Growth Facility (PRGF) with the IMF requires the Nicaraguan Government to evaluate shortcomings in the current system and prepare recommendations for reform as needed. The Ortega administration has indicated it would tackle INSS reform in 2013. Private pension funds invest almost exclusively in offshore instruments.

Competition from State-Owned Enterprises

President Ortega's stated objective is to implement socialism in Nicaragua, which he further defines as a mixed economy or "21st Century Socialism", guided by Christian and socialist ideals. In March 2009, Ortega explained, "Our goal to implement a socialist society in Nicaragua is unchanged. We fought for a socialist society from 1979 to 1989 . . . and we continue fighting. But we must take into account that the socialism we sought to implement in the 1980s is not the same as we could and should apply in this new era. We must take into account the new global reality, a new regional reality, so that we can go forward developing the basis of socialism by combining elements of what is known as 'the mixed economy.' That is, not all economic power for the state, but a mixed economy, including the state and private sector."

To achieve this balance between state and private sector participation in the economy, many feared that Ortega would employ the methods of the 1980s: nationalization and price controls. Instead, he has used funds provided by Venezuela through the Bolivarian Alliance for the Americas (ALBA) to increase the role of the state in the economy.

Through Petronic, the government owns a 45% share in ALBA de Nicaragua (ALBANISA), the company that imports and monetizes Venezuelan petroleum products through the ALBA Energy Agreement. The state-owned Venezuelan Petroleum Company (PDVSA) owns the remaining 55% share of ALBANISA, which sets aside 50% of oil sales for Nicaragua, and has provided over $1.8 billion to the GON through an agreement signed by President Ortega. According to the Nicaraguan Central Bank, Venezuela provided Nicaragua with over $609 million under this scheme in 2011, and $328 million during the first six months of 2012. Overall, oil monetization will have provided Nicaragua with over $2.0 billion in funds since 2007.

ALBANISA's President is also the Treasurer of the FSLN and vice-president of Petronic, the state oil company. The company is managed privately with no formal government oversight. ALBANISA's core business is the importation and distribution of petroleum products. The company owns storage tanks in several locations and a fleet of tanker trucks and construction equipment. In October 2009, the company acquired filling stations operated by Swiss company Glencore for a reported $50 million. ALBANISA also operates diesel and bunker burning generators with a total installed capacity of 250 MW. Plans to open a refinery, called "Bolivar's Supreme Dream," have yet to materialize.

President Ortega and the FSLN have used ALBANISA to purchase television and radio stations, hotels, cattle ranches, electricity generation plants and pharmaceutical laboratories. ALBANISA, through its subsidiary ALBA Foods of Nicaragua (ALBALINISA), bought the Seminole Hotel and a cattle ranch in February 2009 for a reported $11 million. ALBANISA also operates a factory that makes plastic sacks for bulk foods. In January 2010, ALBANISA purchased a local television station. ALBANISA officials have said they plan to invest in pharmaceuticals (ALBA-MED), coffee (ALBA-CAFE), dairy, agricultural processing, and telecommunications. ALBANISA has also provided capital to the second tier bank, ALBA-CARUNA, which is now the largest "microfinance" institution in Nicaragua. Business owners report that ALBA-CARUNA provides financing only to those vetted by CPCs.

President Ortega and First Lady Rosario Murillo have also utilized these funds to heavily promote the FSLN in election year 2011, by financing populist patronage programs directed at their supporters and through political ads on television, radio and on billboards throughout Nicaragua. President Ortega has even mixed these funds with official GON expenditures, for example using ALBA funds to provide a monthly "Solidarity Bonus" for 145,000 GON civil servants. ALBANISA's large presence in the Nicaragua economy and its ties to the GON put companies trying to compete in industries dominated by ALBANISA entities at a disadvantage. For example, Nicaraguan Petrol Distributor (DNP) is a state business whose stake in ALBANISA allows it to receive and distribute Venezuelan gasoline through its more than sixty Petroleum of Nicaragua (Petronic) gas stations. Since 2010, DNP has won at least three 'no competition' contracts with Nicaraguan government ministries leading to allegations of impropriety.

Political Violence

President Ortega has designated Citizen Power Councils (CPCs) – quasi-governmental groups almost wholly composed of FSLN supporters – as the government's preferred partner in implementing its economic and social agenda, including decisions on infrastructure development, local regulatory authority, distribution of subsidized food, access to healthcare, and access to low-income housing. Civic leaders allege that CPC members have been monitoring citizens to differentiate between those who support the FSLN and those who do not, in order to channel benefits to those who do. On several occasions, CPC members have taken physical possession of property either through force or the threat of violence. Municipal officials, court officers, and Nicaraguan National Police have been unwilling to intervene in these cases. Constitutional experts, human rights activists, and nongovernmental organizations have criticized the imposition of CPCs for their unelected role in government and for displacing existing nongovernment organizations.

Before the November 2008 municipal elections and during their aftermath, FSLN and opposition supporters clashed throughout the country, leading to one death and many injuries. FSLN militants and CPC members established checkpoints throughout major cities in an effort to intimidate opposition supporters and discourage them from joining protests; police refused to intervene. Government supporters also violently targeted media and civil society organizations. On one occasion, opposition supporters seriously injured a journalist. These actions paralyzed commercial activity in many parts of the country for several weeks.

Disputes over labor issues, microfinance lending, property rights, and elections turned violent in 2008. Police clashed with drivers and fare collectors during a May 2008 transportation strike. After President Ortega sided with microfinance clients to demand renegotiation of their loans, mobs attacked the offices of several lenders in northern Nicaragua, burning one of them and in another case holding a manager captive for several hours (see Efficient Capital Markets and Portfolio Investment for more on microfinance).

Throughout 2009, FSLN supporters regularly sought to curb opposition or civil society marches critical of the government. This led to clashes between FSLN and opposition supporters throughout Nicaragua, which resulted in injuries and at least one death. As in the previous year, government supporters violently targeted independent media resulting in injuries to reporters and damages to equipment and infrastructure. In October 2009, several hundred FSLN supporters attacked and vandalized the U.S. Embassy using improvised projectile launchers which inflicted damage to the Embassy building. The crowds included government workers and were led by a National Assembly deputy from the governing FSLN party.

There were some cases of political violence surrounding the 2011 national election, including clashes between police and anti-FSLN protestors and violence by both pro-FSLN and anti-FSLN groups. On election day itself there were incidents, including the burning of roughly 10 polling places and other low-level cases of violence. In the two months following the election at least 9 Nicaraguans were killed in circumstances relating to the election, and there have been at least two small armed groups in the RAAN that have publicly stated political agendas.

The 2012 municipal elections also saw some cases of political violence, particularly in the days following the elections when three Nicaraguans were killed in incidents related to the elections. Anti and pro-government supporters clashed in a number of cities, and a number of injuries were reported from these confrontations. Police arrested over 50 anti-government protesters in the town of Nueva Guinea in the days after the election, keeping many in police custody for over 24 hours. Upon their release many individuals accused police officials of physically torturing and sexually assaulting those under arrest. The case received a high amount of interest from local media sources and human rights organizations.

Bilateral Investment Agreements

Nicaragua has signed and ratified bilateral investment agreements with Argentina, Chile, Czech Republic, Denmark, Ecuador, El Salvador, Finland, France, Germany, Italy, the Netherlands, South Korea, Spain, Switzerland, Sweden, Taiwan, and the United Kingdom. CAFTA-DR includes an Investment Chapter.

Foreign-Trade Zones/Free Ports

The Nicaraguan Government reported that as of January, 2012, there were 166 companies operating in free trade zones (FTZs) throughout Nicaragua and a total of 49 industrial parks, directly, creating over 400,000 jobs,. Most free zones are located in Managua and approximately 63% belong to the textile and apparel sector.

In addition to export incentives and duty free capital imports granted by the Tax Equity Law and the Law of Temporary Admission for Export Promotion (see Performance Requirements and Incentives), the Free Trade Zones for Industrial Exports Decree (1991/46 and amendments) provides a 10-year income tax exemption for Nicaraguan and foreign investments in FTZs. The National Free Trade Zone Commission of Nicaragua (CNZF) administers the FTZ regime. The CNZF requires a deposit to guarantee that final salaries and other expenses be paid if a company goes out of business.

Foreign Direct Investment Statistics

According to ProNicaragua, Nicaragua's public-private investment promotion agency, Foreign Direct Investment (FDI) in Nicaragua has increased from $282.3 million in 2006 to $967.9 in 2011. In the first half of 2012 Nicaragua attracted $436 million in FDI which as a 20% decrease from the same period in 2011. There are over 125 companies operating in Nicaragua with some relation to a U.S. company, either as wholly or partly-owned subsidiaries, franchisees, or exclusive distributors of U.S. products. The largest are in energy, financial services, textiles/apparel, manufacturing, and fisheries.

PRONicaragua (the government investment promotion agency) despite the drop in the first half of 2012, has stated their goal for 2012 is to attract over $1 billion in FDI and continues to target tourism, textiles and apparel, light manufacturing and assembly, agribusiness and forestry, contact centres and business process outsourcing, as well as energy and infrastructure.

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; Supreme Court may review administrative acts

International organization participation:

BCIE, CACM, CD, CELAC, FAO, G-77, IADB, IAEA, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRCS, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO (correspondent), ITSO, ITU, ITUC (NGOs), LAES, LAIA, LAIA (observer), MIGA, NAM, OAS, OPANAL, OPCW, PCA, Petrocaribe, SICA, UN, UNCTAD, UNESCO, UNHCR, UNIDO, Union Latina, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

Section 6 - Tax

Exchange control

There are no foreign exchange controls in Nicaragua

Treaty and non-treaty withholding tax rates

Nicaragua does not currently have any double taxation treaties with other counties

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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