

# St Lucia

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RISK & COMPLIANCE REPORT

DATE: January 2017

**Executive Summary - St Lucia**

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

**Major Investment Areas:**

**Agriculture - products:**

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

**Industries:**

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

**Exports - commodities:**

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

**Exports - partners:**

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

**Imports - commodities:**

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

**Imports - partners:**

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

**Investment Restrictions:**

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

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

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

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## Section 1 - Background

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



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

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

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

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

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

### Compliance with FATF Recommendations

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

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

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

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

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

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

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

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

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

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

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

### US Department of State Money Laundering assessment (INCSR)

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

Key Findings from the report are as follows: -

#### Perceived Risks:

Money laundering in St. Lucia is primarily relates to narcotics trafficking. Illicit drug trafficking by established organized crime rings and the laundering of drug proceeds by domestic and foreign criminal elements remain serious problems for the Government of Saint Lucia. It is believed that financial institutions unwittingly engage in currency transactions involving international narcotics trafficking proceeds.

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

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

Under St. Lucia's new economic citizenship program, launched in October 2015, individuals can obtain citizenship for a minimum investment of \$200,000 per individual or \$250,000 for a family of up to four persons. The applicant must have a minimum net worth of \$3,000,000 to qualify for the program. There is no residency requirement and passport holders may travel to most Commonwealth countries without a visa. Application for economic citizenship must be made through a government-approved local agent and requires applicant payment of a background check/due diligence fee. An in-person interview is not required.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes

Are legal persons covered: criminally: YES civilly: NO



**KNOW-YOUR-CUSTOMER (KYC) RULES:**

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES  
KYC covered entities: Banks, building societies, and credit unions; insurance companies; international financial services companies; finance and lending companies; factors, guarantors, and registered agents; exchange bureaus; investment advisers; check cashing and cash remittance services; postal and other courier services; real estate businesses; car dealerships; casinos, gaming houses, and internet gaming services; jewelers and bullion dealers; custodial, advice, and nominee services; financial leasing; venture risk capital; administrators and issuers of financial instruments, credit cards, traveler's checks and bankers' drafts; money brokers; financial intermediaries; securities brokers and underwriters; investment and merchant banks; trusts, asset management and fiduciary services; company formation and management services; collective investment schemes and mutual funds; lawyers; and accountants

**REPORTING REQUIREMENTS:**

Number of STRs received and time frame: 102 in 2015  
Number of CTRs received and time frame: Not available  
STR covered entities: Banks, building societies, and credit unions; insurance companies; international financial services companies; finance and lending companies; factors, guarantors, and registered agents; exchange bureaus; investment advisers; check cashing and cash remittance services; postal and other courier services; real estate businesses; car dealerships; casinos, gaming houses, and internet gaming services; jewelers and bullion dealers; custodial, advice, and nominee services; financial leasing; venture risk capital; administrators and issuers of financial instruments, credit cards, traveler's checks and bankers' drafts; money brokers; financial intermediaries; securities brokers and underwriters; investment and merchant banks; trusts, asset management and fiduciary services; company formation and management services; collective investment schemes and mutual funds; lawyers; and accountants

**MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:**

Prosecutions: 1 in 2015  
Convictions: 0 in 2015

**RECORDS EXCHANGE MECHANISM:**

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

St. Lucia is a member of Caribbean Financial Action Task Force (CFATF), a FATF-style regional body.

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

The Customs and Excise Department is routinely confronted by false declarations, false invoicing, and fraudulent evasion of duties and taxes on goods, and there is a robust approach to cash seizures and forfeitures. In 2015, the Financial Investigations Authority conducted four cash seizures with total value of \$149,644. There were two forfeitures resulting from the cash seizures with an approximate value of \$23,440. In addition, there are many early-stage cash seizure cases pending.

Law enforcement and customs authorities should be given training on how to recognize and combat trade-based value transfer, which could be indicative of both customs fraud and money laundering. The Government of St. Lucia should improve investigative capacity within the police and courts to prosecute cash seizure and forfeiture cases expeditiously and successfully. The government should ensure its new economic citizenship program is adequately supervised and monitored to prevent its abuse by criminals or terrorist financiers. St. Lucia should become a party to the UN Convention against Corruption.

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

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

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

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

### **EU White list of Equivalent Jurisdictions**

St Lucia is not currently on the EU White list of Equivalent Jurisdictions

### **World Governance indicators**

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

### **Failed States Index**

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

### **Offshore Financial Centre**

St Lucia is considered to be an Offshore Financial Centre

### US State Dept Narcotics Report 2016 (introduction):

#### **Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines**

Barbados and the six independent member countries of the Organization of Eastern Caribbean States (OECS), Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, are collectively referred to in this report as the Eastern Caribbean (EC).

The region hosts abundant transshipment points for illicit narcotics primarily from Venezuela destined for North American, European and domestic Caribbean markets. Local and international law enforcement believe traffickers are increasingly using yachts for drug transit, though “go-fast” boats, fishing trawlers, and cargo ships continue to play major transit roles. Homicide rates throughout the region declined in 2015 from the previous year, continuing a two-year trend, but the overall crime rate (including drug related violent crimes) has increased. Many homicides resulted from turf wars between organized groups fighting to control local drug distribution. Cannabis consumption and cultivation remains common in many EC states, though very little is produced in Barbados.

Seven consecutive years of declining macroeconomic growth leave EC law enforcement capacity increasingly beleaguered. EC governments have made some improvements to still antiquated criminal codes. Political leaders, however, have largely failed to address public concerns about official corruption.

#### **Drug Control Accomplishments, Policies, and Trends**

##### **Institutional Development**

EC countries are parties to the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials. All have an Extradition Treaty and a Mutual Legal Assistance Treaty in force with the United States. Several have become signatories to Inter-American Conventions such as the Convention Against Corruption, the Convention on Extradition, the Convention on Mutual Assistance in Criminal Matters, and the Convention Against Terrorism.

The United States and Canada jointly fund an \$11.25 million project to refurbish two aging Maritime Patrol Aircraft, which are owned and operated by the Regional Security System (RSS), a treaty based, collective defense organization of which the EC countries are members. These aircraft are used for counternarcotics purposes. The first of the two refurbished C-26A Maritime Patrol Aircraft was returned to the RSS in June 2015. Since then, the aircraft has conducted hundreds of flight hours (routine flights and flights based on intelligence) leading to the interruption of numerous drug trafficking operations and the arrest of dozens of suspected drug traffickers. Delivery of the second refurbished C-26A Maritime Patrol Aircraft to the RSS is scheduled for 2016.

In 2014 and 2015, EC countries demonstrated their commitment to drug control through multiple measures. Grenada, Saint Vincent and the Grenadines, Antigua and Barbuda, and Dominica passed several new laws that will facilitate the prosecution of narcotics cases, including comprehensive civil asset forfeiture laws with a dedicated forfeiture fund to attack transnational organized crime by seizing illicit assets. The laws require that forfeited funds be channeled to support police, prosecutors, RSS contributions, victim restitution, and drug abuse prevention and treatment. In 2015, Barbados passed "Interviewing the Suspects" legislation which requires the police to comply with human rights standards when interrogating suspects. The Government of Dominica has committed its limited resources and personnel to establishing the first vetted counternarcotics unit in the EC, "Strike Force." The United States agreed to partner with Dominica and has provided training and some equipment for the initiative. The selected unit is semi-operational but will be fully operational in 2016 pending further training and the receipt of specialized equipment.

### **Supply Reduction**

Venezuela-based drug traffickers use the region's many uninhabited islands to move cocaine shipments up the island chain for onward transit to North America and Europe. Cannabis cultivation is the highest in the mountainous regions of St. Vincent, St. Kitts, and St. Lucia. Barbados authorities reported increased marijuana and cocaine shipments transiting from Trinidad and Tobago in 2015, though they also reported reduced drug landings due to successful maritime interdictions. Antigua and Barbuda observed an increased flow of cocaine and cannabis from Jamaica via St. Martin. St. Vincent continues to be a primary source for cannabis cultivation in the EC, with most plants being grown for export. The St. Vincent Drug Squad reported a surge in the transshipment of cocaine in 2015. St. Vincent also reported a trend in "men and women being sent to Venezuela for payment...as guarantors for the dealers." Over the first nine months of 2015, drug seizures in the EC increased over 2014 and totaled approximately 6.65 metric tons (MT) of cocaine and 1.11 MT of marijuana, according to statistics shared with U.S. authorities.

### **Public Information, Prevention, and Treatment**

Marijuana is the most widely used illegal drug in the region, though abuse of over-the-counter drugs is also on the rise. Barbados has drug prevention programs, but has not passed a National Drug Strategy. The Government of Barbados established its Drug Treatment Court in February 2014; it currently monitors 14 active clients. St. Kitts and Nevis has several programs credited by its own officials as successful. Grenada operates several programs through its Drug Control Secretariat. Dominica's National Drug Master Plan for 2014-2017 remained pending government ratification at the close of 2015. Barbados, Grenada, and St. Lucia have drug rehabilitation clinics. Barbados has one that specifically serves youth.

### **Corruption**

As a matter of policy, the region's governments do not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior government officials in the EC were prosecuted for engaging in or facilitating the illicit production or distribution of controlled drugs or laundering of proceeds from illegal drug transactions. Nevertheless, many observers believe that drug-related corruption remains a problem in the region, and has allowed some trafficking organizations to elude law enforcement. The United States funded the establishment of an RSS Polygraph Corps, which certified 27 polygraphists from the EC in

December 2014. Regional governments use the new corps of polygraphists to monitor sensitive police and other institutions. Eastern Caribbean governments have established bilateral agreements that allow the polygraph examiners from one EC country to conduct polygraph examinations in another EC country.

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

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

St. Lucia is a source and destination country for persons subjected to forced prostitution and forced labor. Legal and illegal immigrants from Haiti, Jamaica, the Dominican Republic, Guyana, and South Asia, especially those working in domestic service, are the groups most vulnerable to human trafficking. There are indications that internal prostitution of St. Lucian children occurs; third-party prostitution of children under 18 is a form of human trafficking. Foreign women in prostitution are also vulnerable to sex trafficking. According to the police and NGOs, pimps, strip club operators, and brothel owners are the most likely sex trafficking perpetrators in the country. St. Lucian citizens are subjected to forced prostitution in other countries.

The Government of St. Lucia does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The government demonstrated significant progress in the identification and referral of potential trafficking victims during the reporting period. It increased its anti-trafficking law enforcement efforts by launching two anti-trafficking investigations. It did not prosecute any trafficking offenders, including any government employees complicit in human trafficking. In addition, the government made few discernible efforts to prevent human trafficking during the reporting period.

## International Sanctions

None Applicable

## Bribery & Corruption

| Index  | Rating (100-Good / 0-Bad) |
|--|---------------------------|
| Transparency International Corruption Index        | 60                        |
| World Governance Indicator – Control of Corruption | 69                        |

## Corruption and Government Transparency - Report by US State Department

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

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

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

## Section 3 - Economy

The island nation has been able to attract foreign business and investment, especially in its offshore banking and tourism industries. Tourism is Saint Lucia's main source of jobs and income - accounting for 65% of GDP - and the island's main source of foreign exchange earnings. The manufacturing sector is the most diverse in the Eastern Caribbean area. Crops such as bananas, mangos, and avocados continue to be grown for export, but St. Lucia's once solid banana industry has been devastated by strong competition. Saint Lucia is vulnerable to a variety of external shocks, including volatile tourism receipts, natural disasters, and dependence on foreign oil. Furthermore, high public debt - 77% of GDP in 2012 - and high debt servicing obligations constrain the ANTHONY administration's ability to respond to adverse external shocks. St. Lucia has experienced anemic growth since the onset of the global financial crisis in 2008, largely because of a slowdown in tourism - airlines cut back on their routes to St. Lucia in 2012. Also, St. Lucia introduced a value added tax in 2012 of 15%, becoming the last country in the Eastern Caribbean to do so. In 2013, the government introduced a National Competitiveness and Productivity Council to address St. Lucia's high public wages and lack of productivity.

### **Agriculture - products:**

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

### **Industries:**

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

### **Exports - commodities:**

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

### **Exports - partners:**

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

### **Imports - commodities:**

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

### **Imports - partners:**

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



## Banking

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

## Stock Exchange

The Eastern Caribbean Securities Exchange (ECSE) is the first regional securities market in the Western Hemisphere, established by the Eastern Caribbean Central Bank to serve the eight (8) member states of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat; St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines. It is headquartered on the island of St. Kitts. It has been in operation since 1971, and the ECSE currently lists securities for about 14 companies.

## Executive Summary

St. Lucia's economy is expected to grow by 1.7% in 2014. The island nation has been able to attract foreign business and investment, especially in its offshore banking and tourism industries. Tourism is the main economic sector accounting for more than 60% of jobs in the workforce.

The Government of St. Lucia strongly encourages foreign direct investment, particularly tourism and hotel development, information and communication technology, manufacturing, international financial services, agro business and creative industries.

Foreign nationals receive the same legal protections as local citizens. The police and court systems are efficient and unbiased in commercial matters, and the government operates in a generally transparent manner. St. Lucia's legal system is based on British common law. The judiciary is independent, and trials are generally fair.

Companies registered in St. Lucia have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. There are no exchange controls in St. Lucia and the invoicing of foreign trade transactions may be made in any currency.

St. Lucia bases its legal system on the British common law system. The Constitution guarantees constitutional independence of the judiciary. St. Lucia is a member of the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction resolve private disputes.

Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital. Companies registered in St. Lucia have the right to repatriate all capital royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions.

There are no laws forcing local ownership in specified sectors. The Embassy is not aware of any outstanding expropriation claims or nationalization of foreign enterprises in St. Lucia.

Except for pork and chicken, there is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Companies purchasing chicken must purchase a minimum of 33% locally-produced chicken, and companies purchasing pork must purchase a minimum of 60% locally-produced pork.

St. Lucia has no bilateral investment treaty with the United States. St. Lucia has a bilateral investment treaty with the United Kingdom and with Germany.

### 1. Openness To, and Restrictions Upon, Foreign Investment

The Government of St. Lucia strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens. The government has a number of incentive programs in place to attract foreign investment, available through Invest St. Lucia.

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

All proposals for government concessions and investment incentives are reviewed by Invest St. Lucia to ensure that the project is consistent with the national interest and provides economic benefits to the country. Invest St. Lucia provides “one-stop shop” facilitation services to investors to guide them through the various stages of the investment process. The St. Lucia government encourages investment in the following sectors: tourism and hotel development, information and communication technology, manufacturing, international financial services, agro-business, and entertainment. Additional sectors may also be reviewed.

Foreign nationals receive the same legal protections as local citizens. The police and court systems are efficient and unbiased in commercial matters, and the government operates in a generally transparent manner. The judicial system generally upholds the sanctity of contracts, although court proceedings can last years. St. Lucia’s legal system is based on British common law. The judiciary is independent, and trials are generally fair.

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

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

| Measure   | Year | Rank or value | Website Address   |
|---|------|---------------|---|
| TI Corruption Perceptions index                             | 2013 | (22 of 177)   | <a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a> |
| Heritage Foundation’s Economic Freedom index                | 2013 | (33 of 177)   | <a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>               |
| World Bank’s Doing Business Report “Ease of Doing Business” | 2013 | 64 of 189)    | <a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>                       |

|                           |      |            |   |
|---------------------------|------|------------|---|
| Global Innovation Index   | 2013 | n/a        | <a href="http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener">http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener</a> |
| World Bank GNI per capita | 2012 | USD 6, 890 | <a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>   |

## 2. Conversion and Transfer Policies

Companies registered in St. Lucia have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. There are no exchange controls in St. Lucia and the invoicing of foreign trade transactions may be made in any currency. Importers are not required to make prior deposits in local funds and export proceeds do not have to be surrendered to government authorities or to authorized banks. There are no controls on transfers of funds. The Government of St. Lucia guarantees the free transfers of profits and repatriation of capital.

## 3. Expropriation and Compensation

Under the Land Acquisition Act, the government may by a declaration initiate the acquisition of land required for a public purpose. A notice of acquisition must be served on the person from whom the land is acquired. St. Lucia employs a system of eminent domain to pay compensation when property needs to be acquired in the public interest. There have been no reported tendencies of the government to discriminate against U.S. investments, companies or landholdings. There are no laws forcing local ownership in specified sectors. The Embassy is not aware of any outstanding expropriation claims or nationalization of foreign enterprises in St. Lucia.

## 4. Dispute Settlement

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

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

The United States and St. Lucia are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes.

## **5. Performance Requirements and Investment Incentives**

Except for pork and chicken, there is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Companies purchasing chicken must purchase a minimum of 33% locally-produced chicken, and companies purchasing pork must purchase a minimum of 60% locally-produced pork.

In addition to the National Development Corporation (Invest St. Lucia) Act, which addresses government policy to attract investment, the Trade License Act, Aliens Licensing Act, Development Incentives Act, Special Development Areas Act, Income Tax Act, Free Zones Act, Tourism Development Act, and Fiscal Incentives Act, all have some impact on foreign investment.

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

The Fiscal Incentives Act provides a list of incentives including:

- Tax holiday of up to 15 years for approved projects
- Waiver of import duty and consumption tax on imported plant, machinery and equipment
- Waiver of import duty and consumption tax on imported raw and packaging materials,
- Export allowance or tax relief on export earnings

### ***Corporate Tax Incentives***

Under the Fiscal Incentives Act, four types of enterprise qualify for tax holidays. The length of the tax holiday for the first three depends on the amount of value added in St. Lucia. The fourth type, known as enclave industry, must produce goods exclusively for export outside the CARICOM region.

| <b>Enterprise</b> | <b>Value Added</b> | <b>Maximum Tax Holiday</b> |
|-------------------|--------------------|----------------------------|
| Group I           | 50% or more        | 15 years                   |
| Group II          | 25% to 50 %        | 12 years                   |
| Group III         | 10% to 25%         | 10 years                   |
| Enclave           | Enclave            | 15 years                   |

### ***Corporate Income Tax***

The standard corporate income tax rate is 33.3%. An IBC may elect to be exempted from paying income tax or to be liable to income tax on the chargeable income of the company at the rate of 1%. An IBC is not subject to stamp duties, withholding tax or capital gains tax.

### ***Export Allowance***

St. Lucia provides companies with a further tax concession effective at the end of the tax holiday period.

### ***Exemption from Import Duties***

Full exemption from import duties on parts, raw materials, and production machinery is also available.

There are some special license requirements as to acquisition of land, development of buildings and expansion of existing construction, and special standards for various aspects of the tourism industry. Individuals or corporate bodies who are not citizens and who are seeking to acquire land may require a license prior to the execution of the transactions, depending upon the amount of land in question.

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

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

and equipment used exclusively in connection with the construction and equipping of the tourism project.

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

## **6. Right to Private Ownership and Establishment**

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

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

## **7. Protection of Property Rights**

Civil law protects physical property and mortgage claims. St. Lucia is a member of the International Center for Settlements of Investment Disputes. St. Lucia is a member of the World Intellectual Property Organization (WIPO). Article 45 of the Protocol Amending the Treaty that established CARICOM commits all 15 members to implement stronger IP protection and enforcement.

The administration of intellectual property laws in St. Lucia is the responsibility of the Attorney General through the Registry of Companies and Intellectual Property. The registration of patents, trademarks, and service marks is administered by this office. Enforcement of intellectual property rights (IPR) in St. Lucia remains somewhat weak, in part due to resource constraints. IPR infringement in most areas is small-scale, with limited instances of pirated DVDs and compact discs. Post is not aware of any issues concerning U.S. rights holders and IPR infringement in St. Lucia.

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

Embassy point of contact: Jonelle Watson [Watsonjm@state.gov](mailto:Watsonjm@state.gov)

Local lawyers list: [http://barbados.usembassy.gov/attorneys\\_list.html](http://barbados.usembassy.gov/attorneys_list.html)

## **8. Transparency of the Regulatory System**

St. Lucia uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety.

The Revised Treaty of Chaguaramas provides the competition policy applicable to CARICOM States. Member States are required to establish and maintain a national competition authority for facilitating the implementation of the rules of competition. At the CARICOM level, a regional Competition Commission is established to apply the rules of competition in respect of anti-competitive cross-border business conduct. The CARICOM competition policy addresses anti-competitive business conduct, such as agreements between enterprises, decisions by associations of enterprises, and concerted practices by enterprises that have as their object or effect the prevention, restriction or distortion of competition within the Community; and actions by which an enterprise abuses its dominant position within the Community. No legislation is yet in operation to regulate competition in St. Lucia. The Organization of Eastern Caribbean States (OECS) has agreed to establish a regional competition body to handle competition matters within its single market. The draft OECS bill has been submitted to the Ministry of Legal Affairs for review.

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

## **9. Efficient Capital Markets and Portfolio Investment**

St. Lucia's monetary and exchange rate policies are determined by the Eastern Caribbean Central Bank (ECCB). The ECCB regulates domestic banks. Exchange controls restrictions on capital and non-trade current transactions have been suspended under the Exchange Control Act.

As a member of the OECS, St. Lucia is a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market. The ECSE is a regional securities market established by the ECCB and licensed under the Securities Act of 2001, a uniform regional body of legislation governing securities market activities to facilitate the buying and selling of financial products for the eight member territories. St. Lucia is a member of this stock exchange, and is open to portfolio investment.

According to the most recent data available from the government, assets of commercial banks totaled US\$2.15 billion in November 2012, and remained relatively consistent throughout the year. The reserve requirement for commercial banks was 6% of deposit liabilities.

## **10. Competition from State-Owned Enterprises**

Statutory corporations or state-owned enterprises in St. Lucia include the National Insurance Corporation and the Water and Sewage Company Inc. These companies do not generally pose a threat to investors, as they are not designed for competition. They support government programs such as the national pension plan and the management of pipe borne water, sewage and solid waste management services.

## **11. Corporate Social Responsibility**



In St. Lucia, there is an awareness of corporate social responsibility (CSR) among both producers and consumers. The private sector is involved in projects that benefit society, including in support of environmental, social and cultural causes. Individuals benefit from business sponsored initiatives when local and foreign owned enterprises pursue volunteer opportunities and make monetary or in kind donations to local causes.

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

## **12. Political Violence**

St. Lucia does not have a history of political violence.

## **13. Corruption**

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

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

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

## **14. Bilateral Investment Agreements**

St. Lucia has no bilateral investment treaty with the United States. St. Lucia has a bilateral investment treaty with the United Kingdom and with Germany.

### ***Caribbean Community (CARICOM)***

The Treaty of Chaguaramas established CARICOM in 1973. Its purpose is to promote economic integration among its fifteen (15) Member States. Investors operating in St. Lucia are given preferential access to the entire CARICOM market. The Revised Treaty of Chaguaramas goes further to establish the CARICOM Single Market and Economy (CSME), by permitting the free movement of goods, capital and labor within CARICOM States.

### ***Organization of Eastern Caribbean States (OECS)***

The Revised Treaty of Basseterre establishes the Organization of Eastern Caribbean States (OECS). The OECS consists of nine Member States of Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines with associate members being Anguilla and the British Virgin Islands. The purpose of the Treaty is to promote harmonization among Member States in areas concerning foreign policy, defense

and security, and economic affairs. The six independent countries of the OECS ratified the Revised Treaty of Basseterre establishing the OECS Economic Union on January 21, 2011. The Economic Union established a single financial and economic space within which all factors of production, including goods, services and people, move without hindrance.

### ***Economic Partnership Agreement (EPA)***

The Economic Partnership Agreement (EPA) was concluded between the CARIFORUM States and the European Community and its Member States. The EPA is designed to replace the now expired transitional trade regime of the Cotonou Agreement. The overarching objectives of the EPA are to alleviate poverty in CARIFORUM, to promote regional integration and economic cooperation and to foster the gradual integration of the CARIFORUM states into the world economy by improving their trade capacity and creating an investment-conducive environment. The Agreement promotes trade related developments in areas such as competition, intellectual property, and public procurement, the environment and protection of personal data.

### ***Caribbean Basin Initiative (CBI)***

The objective of the Caribbean Basin Initiative is to promote economic development through private sector initiative in Central America and the Caribbean islands by expanding foreign and domestic investment in non-traditional sectors, diversifying CBI country economies and expanding their exports. It permits duty free entry of products manufactured or assembled in St. Lucia into markets of the USA.

### ***Caribbean / Canada Trade Agreement (CARIBCAN)***

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

St. Lucia is a member of the WTO, and has a multilateral economic association agreement with the European Union.

## **15. OPIC and Other Investment Insurance Programs**

OPIC provides financing and political risk insurance to viable private sector projects, helps U.S. businesses invest overseas, and fosters economic development in new and emerging markets.

## **16. Labor**

Minimum wage regulations in effect since 1985 set wages for a limited number of occupations. The minimum monthly wage for office clerks was EC\$300 (\$111), for shop assistants EC\$200 (US\$74), and for messengers EC\$160 (US\$59). A new labor code went into effect on August 1, 2012.

St. Lucia has a labor force of about 90,600 persons, with a literacy rate of 94.8%. The country's technical and training needs are met largely by the local state college, which offers courses in skilled labor, including plumbing, electrical engineering, air conditioning and refrigeration, masonry, carpentry, mechanical engineering, motor mechanics, typing and basic hotel skills.

There is also a pool of professionals to draw from, in fields such as law, medicine, business information technology and accounting. Many of the professionals in St. Lucia trained in the Caribbean, the United States, Canada and the United Kingdom, where many of them gained work experience before returning to St. Lucia.

Investors in St. Lucia are responsible for maintaining workers' rights and safeguarding the environment. The Labor Commissioner settles disputes over safety conditions. Workers have the right to report unsafe work environments without jeopardy to continued employment; inspectors then investigate such claims, and workers may leave such locations without jeopardy to their continued employment.

### 17. Foreign Trade Zones/Free Ports

St. Lucia has a Freezone created by law; it is an enclosed area treated for customs purposes as lying outside the customs territory of the island. Goods of foreign origin may be held pending eventual transshipment, re-exportation and, in some cases, importation into the local market, without payment of customs duties.

### 18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

**TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy**

|   | Eastern Caribbean Central Bank   |             | USG or international statistical source |               | USG or international<br>Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)  |
|---|----------------------------------|-------------|---|---------------|---|
| <b>Economic Data</b>  | Year                             | Amount      | Year                                    | Amount        |   |
| Host Country Gross Domestic Product (GDP) ( <i>Millions U.S. Dollars</i> )                | 2012                             | 1.3 billion | 2012                                    | 1.186 billion | <a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a>   |
| <b>Foreign Direct Investment</b>  | Host Country Statistical source* |             | USG or international statistical source |               | USG or international<br>Source of data: BEA; IMF; Eurostat; UNCTAD, Other   |
| U.S. FDI in partner country ( <i>Millions U.S. Dollars, stock positions</i> )             | n/a                              | n/a         | 2012                                    | 260           | (BEA) click selections to reach. <ul style="list-style-type: none"> <li>Bureau of Economic Analysis</li> </ul>                            |
| Host country's FDI in the United States ( <i>Millions U.S. Dollars, stock positions</i> ) | n/a                              | n/a         | n/a                                     | n/a           | (BEA) click selections to reach <ul style="list-style-type: none"> <li>Balance of Payments and Direct Investment Position Data</li> </ul> |

|   |     |     |      |     |   |
|---|-----|-----|------|-----|---|
|   |     |     |      |     | <ul style="list-style-type: none"> <li>• Foreign Direct Investment Position in the United States on a Historical-Cost Basis</li> <li>• By Country only (all countries) (Millions of Dollars)</li> </ul> |
| Total inbound stock of FDI as % host GDP ( <i>calculate</i> ) | n/a | n/a | 2012 | 138 | <a href="http://www.eclac.org">www.eclac.org</a>  |

## 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:

English common law

### International organization participation:

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

## Section 6 - Tax






### Exchange control

There are no exchange controls in St. Lucia.

### Treaty and non-treaty withholding tax rates

Saint Lucia has signed **31 agreements** (11 DTC and 20 TIEA agreements) providing for the exchange of information.

| Jurisdiction                     | Type of EOI Arrangement | Date Signed | Date entered into Force | Meets standard | Contains paras 4 and 5 |   |
|----------------------------------|-------------------------|-------------|-------------------------|----------------|------------------------|---|
| Antigua and Barbuda              | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |    |
| Aruba                            | TIEA                    | 10 May 2010 | 1 Jan 2012              | Yes            | Yes                    |    |
| Australia                        | TIEA                    | 30 Mar 2010 | 1 Jul 2010              | Yes            | Yes                    |   |
| Barbados                         | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |  |
| Belgium                          | TIEA                    | 7 Dec 2009  | not yet in force        | Yes            | Yes                    |  |
| Belize                           | DTC                     | 6 Jul 1994  | 30 Nov 1994             | Yes            | No                     |  |
| Canada                           | TIEA                    | 18 Jun 2010 | 20 Jul 2012             | Yes            | Yes                    |  |
| Curaçao                          | TIEA                    | 29 Oct 2009 | not yet in force        | Yes            | Yes                    |  |
| Denmark                          | TIEA                    | 12 Oct 2009 | 8 Oct 2011              | Yes            | Yes                    |  |
| Dominica                         | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |  |
| Faroe Islands                    | TIEA                    | 19 May 2010 | not yet in force        | Unreviewed     | Yes                    |  |
| Finland                          | TIEA                    | 19 May 2010 | 17 Mar 2011             | Yes            | Yes                    |  |
| France                           | TIEA                    | 1 Apr 2009  | 20 Jan 2011             | Yes            | Yes                    |  |
| Germany                          | TIEA                    | 7 Jun 2010  | 28 Feb 2013             | Yes            | Yes                    |  |
| Greenland                        | TIEA                    | 19 May 2010 | not yet in force        | Unreviewed     | Yes                    |  |
| Grenada                          | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |  |
| Guyana                           | DTC                     | 6 Jul 1994  | 30 Nov 1994             | Unreviewed     | No                     |  |
| Iceland                          | TIEA                    | 19 May 2010 | 2 Nov 2012              | Yes            | Yes                    |  |
| Ireland                          | TIEA                    | 22 Dec 2009 | 17 Feb 2011             | Yes            | Yes                    |  |
| Jamaica                          | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |  |
| Netherlands                      | TIEA                    | 12 Feb 2009 | 31 Mar 2011             | Yes            | Yes                    |  |
| Norway                           | TIEA                    | 19 May 2010 | 1 Dec 2011              | Yes            | Yes                    |  |
| Portugal                         | TIEA                    | 14 Jul 2010 | 28 Oct 2011             | Yes            | Yes                    |  |
| Saint Kitts and Nevis            | DTC                     | 6 Jul 1994  | 30 Nov 1994             | No             | No                     |  |
| Saint Vincent and the Grenadines | DTC                     | 6 Jul 1994  | 30 Nov 1994             | Yes            | No                     |  |
| Sint Maarten                     | TIEA                    | 29 Oct 2009 | not yet in force        | Yes            | Yes                    |  |

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

## Methodology and Sources

### Section 1 - General Background Report and Map

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

### Section 2 - Anti – Money Laundering / Terrorist Financing

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