

The Liechtenstein Declaration

Through this Declaration, Liechtenstein commits to, and will implement, global standards of transparency and exchange of information as developed by the OECD and will advance its participation in international efforts in order to counteract non-compliance with foreign tax laws.

With this Declaration, Liechtenstein clarifies its position regarding privacy and banking secrecy and confirms its readiness to speed up the negotiation of tax information exchange and other agreements with a view to having a network of such arrangements in place as soon as reasonably possible in order to address the global issue of tax fraud and tax evasion as well as double taxation. In this process, Liechtenstein will emphasise its responsibilities to address both the tax claims of other jurisdictions and the trust of its clients.

A Commitment to be a responsible and reliable partner also in difficult times

The Government and the Liechtenstein business community recognise that we are living in a time of fundamental and rapid development and change and that every country is obliged to act in a proactive and forward looking way, not least to support efforts of the global community to meet unparalleled challenges in many areas. Leaders around the world are calling for immediate action designed to stabilise the global economy and financial system. The necessity of such action is widely accepted and is also acknowledged by Liechtenstein.

Liechtenstein has always had a diversified economy and is home to a number of companies in all sectors that are highly respected in the international business community. While the industrial sector is still the economy's main pillar, Liechtenstein's financial sector has developed well and has helped to diversify Liechtenstein's economy. Thus, the financial centre plays an important role in the prosperity of Liechtenstein, as clients from around the world have placed their trust in Liechtenstein, in some cases for generations.

Liechtenstein is a Member State of the European Economic Area and also takes part in the European single market for financial services. Liechtenstein and its internationally integrated financial centre have a strong desire to continue to be recognised and accepted within the global community as a leading location for investment and wealth management according to its high standards of regulation and its high quality of services. Liechtenstein has undertaken numerous initiatives to combat illicit activities and has legislation and an administrative practice that have been evaluated positively by the FATF, the IMF and others.

Moreover, Liechtenstein has ratified and implemented an agreement with the EU on the taxation of savings. Recently, it has concluded a tax agreement with the US following globally accepted OECD standards. Currently, it is in negotiations with the EU in relation to an anti-fraud agreement and is in discussions with certain OECD and EU Member States regarding closer cooperation in tax matters.

As with other financial centres, Liechtenstein will continue to protect the legitimate privacy rights of its clients from around the world. To this end, the Government is ensuring that Liechtenstein maintains solid and modern bank secrecy laws.

A Commitment to global standards of transparency and exchange of information as developed by the OECD

Liechtenstein is committed to act as a responsible member of the global community and wishes to contribute to the global effort to help foster long-term economic prosperity and the social well-being of everybody. Liechtenstein's central location in Europe, its integration in the European Economic Area and the global community as well as the openness of markets, not just in the financial area, encourage Liechtenstein to strive towards far-reaching cooperation in tax matters according to OECD standards and

beyond in order to better meet the concerns of other states, investors and its financial centre.

Liechtenstein is prepared to enhance its participation in international efforts to counteract non-compliance with foreign tax laws in a globally integrated financial community and to strengthen its cooperation with other countries by means of bilateral agreements on exchange of information for tax purposes or, as the case may be, by means of double taxation agreements.

Liechtenstein commits to and will implement the global standards of transparency and exchange of information as developed by the OECD and plans to go beyond these standards in order to better meet the concerns and tax claims of other jurisdictions. The Government's objective is to reflect the legitimate needs of investors, to encourage the financial centre's role as a tax-compliant destination and to strengthen its transparency and accountability. In addition, Liechtenstein is prepared to continue the negotiations with the EU on an anti-fraud agreement and to renegotiate the agreement on the taxation of savings concerning the extension of its scope of application.

Having the legitimate needs of its clients and its industrial sector in mind, Liechtenstein is prepared to negotiate bilateral tax information exchange and other agreements that may go beyond OECD standards so as to provide particularly for effective exchange of information to address the global issue of tax fraud and tax evasion as well as double taxation. In parallel, the Government of Liechtenstein will be encouraging its treaty partners to establish procedures designed to help investors, if necessary, to regularise any former, ongoing and future tax compliance obligations in their countries of residence. For the benefit of the investors, foreign jurisdictions and Liechtenstein's financial centre, voluntary disclosure procedures should ideally provide adequate legal certainty to clients and financial institutions guiding them through this process.

Furthermore, Liechtenstein is prepared to develop comprehensive solutions to protect the legitimate tax claims of other jurisdictions according to their fiscal sovereignty and to balance legitimate interests of jurisdictions. Additionally, clear and detailed guidelines and technical assistance will be sought from Liechtenstein's treaty partners with regard to the application of the law of taxation of the residency state to assets held in or via Liechtenstein in order to ensure an effective approach to the exchange of information, to inform taxpayers and financial service providers about their obligations and to provide legal certainty. The Liechtenstein Government believes that this will help develop Liechtenstein's role as a tax-compliant international financial centre.

During the past months, Liechtenstein has greatly benefited from discussions with several Governments of EU Member States as well as government associations to better understand the needs of the global community. These discussions have been most valuable in developing this Declaration. Liechtenstein appreciates the guidance it has received, and is looking forward to participating in further discussions on transparency and exchange of information.

Government of the Principality of Liechtenstein, March 12, 2009