

Jurisdiction's name:	ANDORRA
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Information on Residency for tax purposes
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Section I – Criteria for Individuals to be considered a tax resident

Pursuant to article 8 of the Law 5/2014, of 24 April, on the Personal Income Tax, the following natural persons are deemed to be resident for tax purposes in Andorra, and therefore, liable to the Personal Income Tax (“PIT”):

Article 8.1

- a) Natural persons staying more than 183 days in Andorran territory over the calendar year. In order to determine the permanence in Andorran territory, occasional absences are included, unless the taxpayer proves his residency for tax purposes in another countries.
- b) Natural persons whose main base or centre of their activities or economic interests is situated, directly or indirectly, in Andorra.

Article 8.2

In addition, natural persons whose dependent not legally separated spouse and/or underage children are usually resident in Andorra are presumed to be tax resident in Andorra unless there is evidence to the contrary.

Article 8.3

Cross-border workers (workers commuting every day from Spain or France) and hired by entities resident for tax purposes in Andorra or by permanent establishments in Andorra of foreign entities are not deemed to be resident for tax purposes in Andorra.

Article 8.4

Natural persons with Andorran nationality, along with their spouses not legally separated and children under 18 years whose usual residence is abroad due to their condition of members of diplomatic missions or representatives at international organisations.

Section II – Criteria for Entities to be considered a tax resident

Pursuant to article 7 of the Law 95/2010, of 29 December, on the Corporate Income Tax, the following entities are deemed to be resident for tax purposes in Andorra, and therefore, liable to the Corporate Income Tax (“CIT”):

Article 7.1

- a) Entities incorporated according to Andorran Law.
- b) Entities with its registered office in Andorran territory
- c) Entities whose place of effective management is situated in Andorra. For these purposes, an entity has its place of effective of management in Andorra where the key management and the control of the production of its activities and business are carried out in Andorra.
- d) Entities which have transferred its fiscal domicile to Andorra, as of the date on which the transfer has been executed according to commercial law.

Section III – Entity types that are as a rule not considered tax residents

Not applicable

Section IV – Contact point for further information

Departament de Tributs i Fronteres / Tax and Borders Department

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