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### OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council  
To: Delegations  
Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Liechtenstein

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REGIERUNG  
DES FÜRSTENTUMS LIECHTENSTEIN  
DER REGIERUNGSCHEF

General Secretariat of the Council  
Chair of the Code of Conduct Group (Business Taxation)  
Ms Fabrizia Lapecorella  
Rue de la Loi / Wetstraat 175  
1048 Bruxelles  
Belgique

Vaduz, 14 November 2017

### Follow-up to the screening process

Dear Chair of the Code of Conduct Group

Reference is made to your letter dated October 24, 2017 to Mr. Bernhard Büchel, Head of the Fiscal Authority of Liechtenstein, by which you request a commitment by Liechtenstein to address the deficiencies identified by the Code of Conduct Group of experts.

As reconfirmed at Liechtenstein's several appearances at the Code of Conduct Group meetings, since 2009 Liechtenstein has been fully committed to adopt and implement the international standards related to taxation, transparency and tax cooperation. The Liechtenstein Government is fully determined to continue and further develop this important solid long-term pillar of its tax strategy, in particular as an active member of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the OECD BEPS Inclusive Framework and by having a close dialogue and cooperation with the EU and its Member States.

Having regard to the two regimes which the Code of Conduct Group has evaluated as being harmful (see Annex I), the Liechtenstein Government is prepared to introduce legal amendments to address the harmful aspects of these two regimes. Accordingly, the Government will launch a legislative procedure:

- to amend the regime named *Tax Exempt Corporate Income – dividends and capital gains*. The rules will be revised by introducing appropriate anti-abuse measures for the dividend exemption and asymmetric treatment of capital gains and losses.
- to amend the regime named *Interest Deduction on Equity*. The rules on the allowance for corporate equity (ACE) will be revised by including appropriate anti-abuse provisions.

With regard to the timeline for such revision the internal preparatory process will be started by Government quickly with a view to present the proposed amendments for public consultation early in 2018, with the aim of being in a position to submit the respective bill for the first reading in Parliament before the summer break, so that a revision can be finalised before December 31, 2018. Please note that in Liechtenstein, a revision of the law is in the ultimate responsibility of Parliament and subject to the facultative public referendum.

I understand that the Code of Conduct Group will not recommend to the EU Council to include Liechtenstein in the list of non-cooperative jurisdictions for tax purposes. Finally, I would like to reiterate Liechtenstein's commitment and interest to continue the bilateral dialogue with the EU which was established in 2011 in order to discuss and resolve issues of mutual interest in an open, constructive and transparent manner.

Sincerely yours



Adrian Hasler  
Prime Minister

Enclosure: Annex I (Request for commitment by the Chair of the Code of Conduct Group)

## ANNEX I

### Request for commitment by the Chair of the Code of Conduct Group

Annex I sets out the deficiencies identified by the Code of Conduct Group and the proposed actions to be undertaken by Liechtenstein in order to comply with the set criteria.

#### Criterion 2.1

In our letter dated 19 June 2017 we have informed Liechtenstein that we would take stock of the assessment conducted by the main Code of Conduct Group and the Forum on Harmful Tax Practices for the purpose of evaluating the preferential tax regimes of Liechtenstein. On the basis of such assessments, the Code of Conduct Group has considered the regime named *Tax Exempt Corporate Income – dividends and capital gains* harmful . due to the absence of appropriate anti-abuse measures for the dividend exemption and asymmetric treatment of capital gains and losses. Equally, the regime named *Interest Deduction on Equity* has been considered harmful due to the lack of appropriate anti-abuse provisions. We invite Liechtenstein to commit to amend or abolish the above mentioned regimes in order to comply with the criteria applied by the Code of Conduct Group. We invite Liechtenstein to communicate the timeline for doing so.

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