

Liechtenstein

Liechtenstein has met all aspects of the terms of reference (OECD, 2017_[31]) (ToR) for the calendar year 2018 (year in review) and no recommendations are made.

In the prior year report, Liechtenstein did not receive any recommendations.

Liechtenstein can legally issue four types of rulings within the scope of the transparency framework. In practice, Liechtenstein issued rulings within the scope of the transparency framework as follows:

- 18 past rulings;¹
- For the period 1 April 2017 - 31 December 2017: six future rulings;
- For the year in review: five future rulings.

Peer input was received from two jurisdictions in respect of the exchanges of information on rulings received from Liechtenstein. The input was positive, noting that information was complete, in a correct format and received in a timely manner.

Introduction

This peer review covers Liechtenstein's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

A. The information gathering process

Liechtenstein can legally issue the following four types of rulings within the scope of the transparency framework: (i) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (ii) rulings providing for unilateral downward adjustments; (iii) permanent establishment rulings; and (iv) related party conduit rulings.

Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)

For Liechtenstein, past rulings are any tax rulings within scope that are issued either (i) on or after 1 January 2015 but before 1 April 2017; and (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2017.

In the prior year peer review report, it was determined that Liechtenstein's undertakings to identify past rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. Liechtenstein's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)

For Liechtenstein, future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

In the prior year peer review report, it was determined that Liechtenstein's undertakings to identify future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. Liechtenstein's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Review and supervision (ToR I.4.3)

In the prior year peer review report, it was determined that Liechtenstein's review and supervision mechanism was sufficient to meet the minimum standard. Liechtenstein's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Conclusion on section A

Liechtenstein has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

Liechtenstein has introduced the necessary domestic legal basis to exchange information spontaneously with effect of 1 January 2018 (Law on International Administrative Assistance in Tax Matters, LIAATM) that allows to exchange information on rulings issued as of 1 January 2012, provided they were still in effect on 1 January 2017. Liechtenstein notes that apart from this restriction on exchanging information on certain past rulings there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

Liechtenstein has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) (“the Convention”), and (ii) double tax agreements in force with fourteen jurisdictions.²

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

In the prior year peer review report, it was determined that Liechtenstein’s process for the completion and exchange of templates was sufficient to meet the minimum standard. Liechtenstein’s implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

The year in review was the first time exchanges were able to take place. For the year in review, the timeliness of exchanges is as follows:

Past rulings in the scope of the transparency framework	Number of exchanges transmitted by 31 December 2018	Delayed exchanges		
		Number of exchanges not transmitted by 31 December 2018	Reasons for the delays	Any other comments
	18	0	N/A	Information on past rulings has been exchanged within three months after the legal basis came into force.
Future rulings in the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	11	0	N/A	N/A
Total	29	0		

Follow up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	0	N/A	N/A

Conclusion on section B

Liechtenstein has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Liechtenstein has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Ruling related to a preferential regime	2	<i>De minimis</i> rule applies
Cross-border unilateral advance pricing agreements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	12	Curaçao, Israel, Switzerland, United Kingdom
Cross-border rulings providing for a unilateral downward adjustment to the taxpayer's taxable profits that is not directly reflected in the taxpayer's financial / commercial accounts	2	<i>De minimis</i> rule applies
Permanent establishment rulings	17	Austria, Germany, Israel, Luxembourg, Switzerland, United Kingdom
Related party conduit rulings	N/A	N/A
<i>De minimis</i> rule	N/A	N/A
IP regimes: total exchanges on taxpayers benefitting from the third category of IP assets, new entrants benefitting from grandfathered IP regimes; and taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption	0	N/A
Total	33³	

D. Matters related to intellectual property regimes (ToR I.4.1.3)

Liechtenstein does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[5]) were imposed.

Summary of recommendations on implementation of the transparency framework

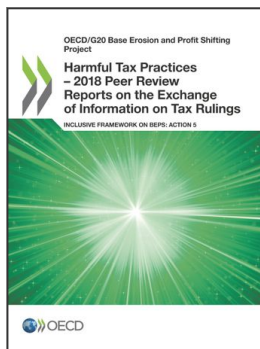
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

Notes

¹ Including four that fell into more than one category under the BEPS Action 5 report.

² Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Liechtenstein also has bilateral agreements with Andorra, Austria, Czech Republic, Germany, Hungary, Iceland, Jersey, Lithuania, Luxembourg, Monaco, San Marino, Singapore, United Arab Emirates, and United Kingdom.

³ Including four that fell into more than one category under the BEPS Action 5 report.



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