Draft Order in Council laid before the House of Commons under section 173(7) of the Finance Act 2006, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2010 No.

TAXES

The International Tax Enforcement (Liechtenstein) Order 2010

Made - - - - [day] [Month] 2010

At the Court at Buckingham Palace, the [date] day of [Month] 2010

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 173(7) of the Finance Act 2006(**1**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 173(1) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the International Tax Enforcement (Liechtenstein) Order 2010.

Tax information exchange agreement to have effect

2. It is declared that—

(a) the agreement set out in the Schedule to this Order has been made with the Government of the Principality of Liechtenstein with a view to the exchange of information foreseeably relevant to the administration or enforcement or recovery of the taxes, and debts relating to the taxes, covered by the agreement; and

(b) it is expedient that the agreement should have effect.

(**1**) 2006 c. 25.

Name
Clerk of the Privy Council

SCHEDULE Article 2

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE PRINCIPALITY OF LIECHTENSTEIN ON TAX INFORMATION EXCHANGE

Preamble

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Principality of Liechtenstein (together "the Contracting Parties") desiring to:

(a) regulate the exchange of information with respect to taxes between the Contracting Parties and facilitate tax cooperation and taxpayer assistance, and

(b) assist the maintenance and development of the Principality of Liechtenstein's financial services industry,

have on this date reached an understanding covering various matters including the introduction by the Government of the Principality of Liechtenstein of a five-year taxpayer assistance and compliance programme and the introduction by the competent authority of the United Kingdom of a five-year special disclosure facility.

It is the Contracting Parties' intention that by the conclusion of the five year period contemplated by the taxpayer assistance and compliance programme, there will be no beneficial owners who are liable to taxation within the jurisdiction of one Contracting Party who are using the laws of the other to disguise such liability without paying appropriate tax in the manner contemplated by the understanding.

In furtherance of these objectives, the Contracting Parties have agreed as follows:

Article 1

Object and Scope of this Agreement

The Contracting Parties, through their competent authorities, shall provide assistance through exchange of information upon request as set forth in this Agreement. Such information shall:

a) be foreseeably relevant to the administration and enforcement of the domestic laws of the Requesting Party concerning taxes covered by this Agreement;

b) include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of criminal tax matters; and

c) be treated as confidential as set forth in this Agreement.

Article 2

Jurisdiction

A Contracting Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction. For purposes of this Article, "authorities" includes all government agencies, political subdivisions, and local authorities.

Article 3

Taxes Covered

1. This Agreement shall apply to all taxes imposed by the Contracting Parties on a national or countrywide level.

2. The taxes covered may be modified by mutual agreement of the Contracting Parties in the form of an exchange of letters.

3. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxation and related information gathering measures covered by this Agreement where such changes may be relevant to the operation of this Agreement.

Article 4

Definitions

1. For the purposes of this Agreement, unless otherwise defined:

   a) "collective investment fund or scheme" means any pooled investment vehicle, irrespective of legal form;

   b) "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

   c) "competent authority" means:

      i) in the case of the United Kingdom, the Commissioners for Her Majesty's Revenue and Customs or their authorised representative;

      ii) in the case of Liechtenstein, the Government or its authorised representative;

   d) "Contracting Party" means the United Kingdom or Liechtenstein as the context requires;

   e) "criminal laws" means all criminal laws designated as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes;

   f) "criminal tax matters" means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the Requesting Party;

   g) "formally commenced a criminal investigation" means that the person in question has been formally notified that a criminal investigation has commenced, or has been arrested for, or charged with, a criminal tax offence or given a police caution (or, in the United Kingdom, a caution under the Police and Criminal Evidence Act 1984) with respect to such an offence;

   h) "information" means any fact, statement or record in any form whatever;

   i) "information gathering measures" means administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;

   j) "Liechtenstein" means the Principality of Liechtenstein;

   k) "person" means a natural or legal person, a company, or any other body of persons;

   l) "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;

   m) "publicly traded company" means any company whose principal class of shares is listed on a recognised stock exchange provided its listed shares can be readily purchased or sold by the public (i.e. where the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors);

   n) "recognised stock exchange" means any stock exchange agreed upon by the competent

authorities of the Contracting Parties;

o) "Requested Party" means the Contracting Party that has received a request to provide information under this Agreement (hereinafter referred to as "request") or that has provided such information in response to such request;

p) "Requesting Party" means the Contracting Party that has submitted a request or that has received such information in response to such request;

q) "tax" means any tax to which this Agreement applies but not including customs duties;

r) "tax disclosure facility" means a voluntary disclosure or similar programme for persons subject to and/or obligated to pay any taxes as determined by the tax laws of a Contracting Party and shall include all such programmes whether available on a national, unilateral, bilateral, or multilateral basis or otherwise; and

s) "United Kingdom" means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom designated under its laws concerning the Continental Shelf and in accordance with international law as an area within which the rights of the United Kingdom with respect to the seabed and sub-soil and their natural resources may be exercised.

2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined in this Agreement, unless the context otherwise requires or the competent authorities agree on a common meaning pursuant to the procedures for reaching a mutual agreement under this Agreement, shall have the meaning which it has at that time under the laws of that Contacting Party, the meaning under the applicable tax laws of that Contracting Party prevailing over the meaning given to the term under other laws of that Contracting Party.

Article 5

Exchange of Information Upon Request

1. The competent authority of a Contracting Party shall have the right to submit a request to the competent authority of the other Contracting Party for the purposes referred to in Article 1. The competent authority of the Requested Party shall provide upon request by the Requesting Party information for the purposes referred to in Article 1 and in accordance with and subject to this Agreement.

2. Upon receiving a request, the competent authority of the Requested Party shall acknowledge receipt of the request to the competent authority of the Requesting Party, shall advise if there are any unexpected delays in obtaining the requested information, and shall forward with the least possible delay the requested information to the Requesting Party for the purposes referred to in Article 1 and in accordance with and subject to this Agreement. Such information shall be exchanged without regard to whether the conduct being investigated by the Requesting Party would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party.

3. Each Contracting Party shall ensure that it has the authority, for the purposes referred to in Article 1 and subject to Article 2 and paragraph 2 of Article 6, to obtain and provide, through its competent authority and upon receiving a request:

a) information held by banks, other financial institutions, and any person, including nominees and trustees, acting in an agency or fiduciary capacity; and

b) information regarding the ownership of legal persons, including companies, partnerships, collective investment funds or schemes, "Anstalten" (where appropriate), and other persons, including, within the constraints of Article 2, information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; in the case of foundations information on founders, members of the foundation council and beneficiaries; and equivalent information in the case of entities that are neither trusts nor foundations.

4. The competent authority of the Requesting Party shall make a request only when it is unable