

CONVENTION
between
the Principality of Liechtenstein
and
the Principality of Andorra
for the avoidance of double taxation and the prevention of fiscal evasion
with respect to taxes on income and on capital

Preamble

The Principality of Liechtenstein and the Principality of Andorra, hereinafter referred to as “Contracting States”,

desiring to further develop their economic relations and to enhance their cooperation in tax matters by way of concluding an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance,

have agreed as follows:

Article 1

Persons Covered

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

Taxes Covered

1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which this Convention shall apply are in particular:

- a) in the case of the Principality of Liechtenstein:
 - (i) the personal income tax (Erwerbssteuer);
 - (ii) the corporate income tax (Ertragssteuer);
 - (iii) the real estate capital gains tax (Grundstücksgewinnsteuer);
 - (iv) the wealth tax (Vermögenssteuer); and
 - (v) the coupon tax (Couponsteuer);(hereinafter referred to as “Liechtenstein tax”);

- b) in the case of the Principality of Andorra:
 - (i) corporate income tax (Impost sobre les Societats);
 - (ii) personal income tax (Impost sobre la Renda de les Persones Físiques);
 - (iii) tax on income for fiscal non-residents (Impost sobre la Renda dels No Residents Fiscals); and
 - (iv) tax payable on the increase in value in immovable property transfers (Impost sobre les Plusvàlues en les Transmissions Patrimonials Immobiliàries);(hereinafter referred to as “the Andorran tax”).

4. This Convention shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of this Convention in addition to, or in place of, the existing taxes, as well as any other taxes falling within paragraph 1 and 2 of this Article which a Contracting State may impose in the future. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their taxation laws.

Article 3

General Definitions

- 1. For the purposes of this Convention, unless the context otherwise requires:
 - a) the terms “a Contracting State” and “the other Contracting State” mean the Principality of Liechtenstein or the Principality of Andorra as the context requires;

 - b) (i) the term “Liechtenstein” means the Principality of Liechtenstein, and, when used in a geographical sense, the area in which the tax laws of the Principality of Liechtenstein apply;
 - (ii) the term “Andorra” means the Principality of Andorra and, when used in a geographical sense means the territory of the Principality of Andorra;

 - c) the term “person” includes an individual, a company, a dormant inheritance and any other body of persons;

 - d) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;

 - e) the term “enterprise” applies to the carrying on of any business;

- f) the terms “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- g) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- h) the term “competent authority” means:
 - (i) in Liechtenstein, the Government of the Principality of Liechtenstein or its authorised representative;
 - (ii) in Andorra, the Minister of Finance or his authorized representative;
- i) the term “national”, in relation to a Contracting State, means:
 - (i) any individual possessing the nationality or citizenship of that Contracting State; and
 - (ii) any person other than an individual, deriving its status as such from the laws in force in that Contracting State;
- j) the term “business” includes the performance of professional services and of other activities of an independent character.

2. As regards the application of this Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which this Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4 *Resident*

1. For the purposes of this Convention, the term “resident of a Contracting State” means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him

in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);

- b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.

Article 5

Permanent Establishment

1. For the purposes of this Convention, the term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term “permanent establishment” includes especially:

- a) a place of management;
- b) a branch;
- c) an office;
- d) a factory;
- e) a workshop;
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and
- g) an agricultural, pastoral or forestry exploitation.

3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve months.

4. Notwithstanding the preceding provisions of this Article, the term “permanent establishment” shall be deemed not to include:

- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
- e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

Income from Immovable Property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.
2. The term “immovable property” shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise.

Article 7

Business Profits

1. Profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits that are attributable to the permanent establishment in accordance with the provisions of paragraph 2 may be taxed in that other State.
2. For the purposes of this Article and Article 22, the profits that are attributable in each Contracting State to the permanent establishment referred to in paragraph 1 are the profits it might be expected to make, in particular in its dealings with other parts of the enterprise, if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions, taking into account the functions performed, assets used and risks assumed by the enterprise through the permanent establishment and through the other parts of the enterprise.
3. Where, in accordance with paragraph 2, a Contracting State adjusts the profits that are attributable to a permanent establishment of an enterprise of one of the Contracting States and taxes accordingly profits of the enterprise that have been charged to tax in the other State, the other State shall, to the extent necessary to eliminate double taxation on these profits, make an appropriate adjustment to the amount of the tax charged on those profits. In determining such adjustment, the competent authorities of the Contracting States shall if necessary consult each other.

4. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

Shipping, Inland Waterways Transport and Air Transport

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. Profits from the operation of boats engaged in inland waterways transport shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. If the place of effective management of a shipping enterprise or of an inland waterways transport enterprise is aboard a ship or boat, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship or boat is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship or boat is a resident.

4. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Article 9

Associated Enterprises

1. Where

- a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that State – and taxes accordingly – profits on which an enterprise of the other Contracting State has been

charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Convention and the competent authorities of the Contracting States shall if necessary consult each other.

Article 10

Dividends

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State shall be taxable only in that other State, provided that the beneficial owner of the dividends is a resident of the other State. This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

2. The term “dividends” as used in this Article means income from shares, “jouissance” shares or “jouissance” rights, mining shares, founders’ shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

3. The provision of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident through a permanent establishment situated therein and the holding in respect of which the dividends is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company’s undistributed profits to a tax on the company’s undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11

Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, provided that the beneficial owner of the interest is a resident of the other State.

2. The term “interest” as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor’s profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

3. The provision of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises through a permanent establishment situated therein and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment is situated.

5. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

Article 12 *Royalties*

1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.

2. The term “royalties” as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

3. The provision of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the State in which the permanent establishment is situated

5. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

Article 13 *Capital Gains*

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other State.

3. Gains from the alienation of ships or aircraft operated in international traffic, boats engaged in inland waterways transport or movable property pertaining to the operation of such ships, aircraft or boats, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

4. Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.

5. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14

Income from Employment

1. Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
 - a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and
 - b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and
 - c) the remuneration is not borne by a permanent establishment which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic, or aboard a boat engaged in inland waterways transport, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 15

Directors' Fees

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or any similar organ of a company, which has its seat or place of management in the other Contracting State, may be taxed in that other State.

Article 16

Entertainers and Sportspersons

1. Notwithstanding the provisions of Articles 7 and 14, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsperson in his capacity as such accrues not to the entertainer or sportsperson himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.

3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities exercised in a Contracting State by entertainers or sports persons if the visit to that State is wholly or mainly supported by public funds of the other Contracting State or political subdivisions or local authorities thereof. In such a case, the income is taxable only in the Contracting State in which the entertainer or the sportsperson is a resident.

Article 17

Pensions

Pensions and other similar remuneration (including lump sum payments) in consideration of past employment or self-employment arising in a Contracting State shall be taxed only in that State.

Article 18

Government Service

1. Salaries, wages and other similar remuneration paid by a Contracting State, a political subdivision or a local authority thereof or some other legal entity under public law of that State to an individual in respect of services rendered to that State, subdivision or authority or other legal entity under public law of that State shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration (including lump sum payments) paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof or some other legal entity under public law of that State to an individual in respect of services rendered to that State, subdivision or authority or other legal entity under public law of that State shall be taxable only in that State.

3. The provisions of Articles 14, 15, 16, and 17 shall apply to salaries, wages, pensions, and other similar remuneration (including lump sum payments) in respect of services rendered in connection with a business carried on by a Contracting State, a political subdivision or a local authority thereof or some other legal entity under public law of that State.

Article 19

Students

Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

Article 20

Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

Article 21

Capital

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.
2. Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State may be taxed in that other State.
3. Capital represented by ships and aircraft operated in international traffic and by boats engaged in inland waterways transport, and by movable property pertaining to the operation of such ships, aircraft and boats, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 22

Elimination of Double Taxation

1. Subject to the provisions of the laws of Liechtenstein regarding the elimination of double taxation, which shall not affect the general principle hereof, double taxation shall be eliminated as follows:

Where a resident of Liechtenstein derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Andorra, Liechtenstein shall exempt such income or capital from tax, but may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital.

2. Subject to the provisions of the law of Andorra regarding the elimination of double taxation, which shall not affect the general principle hereof, double taxation shall be eliminated as follows:

- a) Where a resident of Andorra derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Liechtenstein, Andorra shall allow as a deduction from the tax on the income or capital of that resident an amount equal to the tax paid in Liechtenstein. Such deduction shall not, however, exceed that part of the Andorran tax, as computed before the deduction is given, which is attributable to such items of income derived from Liechtenstein.
- b) Where a resident of Andorra derives income or owns capital which, in accordance with the provisions of this Convention, is exempt from tax in Andorra, Andorra may in order to calculate the amount of tax on the remaining income or capital of such resident, take into account the income or capital has been exempted.

Article 23

Non-Discrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions

for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

3. Except where the provisions of paragraph 1 of Article 9, paragraph 5 of Article 11, or paragraph 5 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Article 24

Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of this Convention.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with this Convention. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this Convention.

4. The competent authorities of the Contracting States may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 25
Exchange of Information

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation there under is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a

Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

Article 26

Members of Diplomatic Missions and Consular Posts

Nothing in this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts or permanent delegations to international organizations under the general rules of international law or under the provisions of special agreements

Article 27

Entitlement to benefits

Notwithstanding the other provisions of this Convention, a resident of a Contracting State shall not receive the benefit of any reduction in or exemption from tax provided for in this Convention by the other Contracting State if it is reasonable to conclude, having regard to all relevant facts and circumstances, that the principal purpose was to obtain these benefits, unless it is established that granting these benefits in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention. Before a resident of a Contracting State is denied such benefits in the other Contracting State by reason of the preceding sentence, the competent authorities of the Contracting States shall consult each other.

Article 28

Protocol

The attached Protocol shall be an integral part of this Convention.

Article 29

Entry into Force

1. The Contracting States shall notify each other in writing, through diplomatic channels, that the procedures required by its law for the entry into force of this Convention have been satisfied. This Convention shall enter into force on the date of receipt of the last notification.

2. This Convention shall have effect:

- a) in respect of taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which this Convention enters into force;
- b) in respect of other taxes on income and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which this Convention enters into force.

Article 30
Termination

1. This Convention shall remain in force until terminated by a Contracting State. Either Contracting State may terminate this Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year.
2. In such event, this Convention shall cease to have effect:
 - a) in respect of taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which the notice is given;
 - b) in respect of other taxes on income and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which the notice is given.

In witness whereof the undersigned, duly authorised thereto, have signed this Convention.

Done in duplicate at New York this 30st day of September 2015, in the German, Catalan and English languages, each text being equally authentic. In case of divergence of interpretation the English text shall prevail.

For the Government of
the Principality of Liechtenstein

For the Government of
the Principality of Andorra

Protocol

At the signing today of the Convention between the Principality of Liechtenstein and the Principality of Andorra for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital, the undersigned have agreed upon the following provisions, which shall form an integral part of this Convention.

1. With reference to subparagraph c) of paragraph 1 of Article 3 (Person):

It is understood that for the purposes of the Convention a dormant inheritance under Liechtenstein law is the wealth of a deceased person during the period between the time of death and the transfer of ownership to the successor(s) as taxable under Article 7 paragraph 3 of the Liechtenstein Tax Act.

2. With reference to paragraph 1 of Article 4 (Residence):

a) It is understood that:

- (i) a Liechtenstein foundation (“Stiftung”), establishment (“Anstalt”) or trust enterprise (“Treuunternehmen mit Persönlichkeit”) liable to tax under the domestic laws of Liechtenstein is considered as company resident in Liechtenstein;
- (ii) persons (including private asset structures under Liechtenstein law) that are subject in Liechtenstein exclusively to the minimum corporate income tax (“Mindestertragssteuer”) are not considered to be residents of Liechtenstein;
- (iii) an entity or organisation that is established and is operated exclusively for charitable, religious, humanitarian, scientific, cultural, or similar purposes (or for more than one of those purposes) and that is resident of that State according to its laws is considered as resident of that State, notwithstanding that all or part of its income or gains may be exempt from tax under the domestic law of that State.

b) An investment fund and a pension fund or scheme of a Contracting State are considered to be residents of that State;

(i) the term “investment fund” means:

- (1) in the case of Liechtenstein, any investment funds according to the Law on UCITS, the Law on Investment Funds, and the Law on AIFM and any other law or regulation that may develop or modify these laws in the future;
- (2) in the case of the Principality of Andorra, an investment fund according to the Andorran Law of 12 June 2012, Law 10/2008 and any other law or regulation that may develop or modify this law in the future;
- (3) any other investment fund, arrangement or entity of a Contracting State which the competent authority of the Contracting State agrees to regard as a collective investment vehicle for the purpose of this paragraph.

(ii) the term “pension fund or scheme” means:

- (1) In the case of Liechtenstein, any pension fund or scheme covered by the Law on Old Age and Survivors’ Insurance, the Law on Disability

Insurance, the Law on Occupational Pension Funds, the Pension Fund Act and any other law or regulation that may develop or modify these laws in the future;

- (2) in the case of the Principality of Andorra, a pension fund or scheme within the meaning of the Law Regulating the activity of Insurance companies of 11 May 1989 and any other law or regulation that may develop or modify this law in the future;
- (3) any other pension fund or scheme of a Contracting State which the competent authority of the Contracting State agrees to regard as a pension fund or scheme for the purpose of this paragraph.

3. With reference to Article 24 (Mutual Agreement Procedure):

In the event that pursuant an Agreement or Convention for the avoidance of double taxation concluded with another country after the date of signature of this Convention, Andorra agrees to include an arbitration provision in such an Agreement or Convention, the competent authorities of Liechtenstein and Andorra will start negotiations, as soon as possible, with a view to concluding an amending protocol inserting an arbitration provision into this Convention.

4. With reference to Article 25 (Exchange of Information):

- a) As regards the exchange of information upon request, as provided for in Article 25 of the Convention, the provisions of the Agreement between the Principality of Liechtenstein and the Principality of Andorra for the exchange of information on tax matters, signed on 18 September 2009, shall apply until the Convention enters into force. From that date on, the provisions of that Agreement shall be superseded by the provisions of the Convention.
- b) Requests for information made under the Convention and those pending on the date of entry into force of the Convention, shall be processed as provided in the Convention, in accordance with the guidelines contained in the following provisions:
 - (i) It is understood that the standard of "foreseeable relevance" is intended to provide for exchange of information in tax matters to the widest possible extent and, at the same time, to clarify that the Contracting States are not at liberty to engage in "fishing expeditions" or to request information that is unlikely to be relevant to the tax affairs of a given taxpayer.
Requests for information should be as detailed as possible, including the following information:
 - (1) the identity of the person under examination or investigation, however, it is not necessary to provide the name of the taxpayer in order to define his identity, if this identity can be deduced from equivalent elements;
 - (2) the period to which the request of information refers;
 - (3) a statement of the information sought including its nature and the form in which the requesting State wishes to receive the information;
 - (4) the tax purpose for which the information is sought;

- (5) the reasons why the information requested is foreseeably relevant for carrying out the provisions of the Convention or to the administration or enforcement of the tax laws of the requesting State in regard to the person identified in subparagraph (i) of this paragraph;
- (6) grounds for believing that the information requested is held in the requested State or is in the possession or control of a person within the jurisdiction of the requested State or can be obtained by such person;
- (7) to the extent possible, the name and address of any person believed to be in possession or having under control the information requested;
- (8) a statement that the request is in conformity with the laws and administrative practices of the requesting State, and that the requesting State is authorised to obtain the information under the laws of the requesting State or in the normal course of administrative practice in similar circumstances, in response to a valid request of a Contracting State under the Convention;
- (9) a statement that the requesting State has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

The above requirements contain procedural requirements that must be interpreted with a view not to frustrate effective exchange of information.

- (ii) The rights and safeguards secured to persons in a Contracting State remain applicable in that Contracting State in the course of the process of information exchange.
 - (iii) Information provided to a requesting State in accordance with the Convention shall not be disclosed to any authority of a third State or jurisdiction.
 - (iv) Personal data may be processed and transmitted to the extent necessary for the exchange of information according to Article 25.
 - (v) Notwithstanding the entry into force of the Convention, requests for information may be made in relation to taxable periods for which requests for information may have been made under the Agreement for the exchange of information on tax matters between the Principality of Liechtenstein and the Principality of Andorra, signed on 18 September 2009.
- c) Andorra will be ready to exchange information automatically as soon as it has effectively adopted the common standard of the OECD concerning the automatic exchange of financial information under a bilateral or multilateral agreement for the full implementation of Article 25 of the Convention.

In witness whereof the undersigned, duly authorised thereto, have signed this Protocol.

Done in duplicate at New York this 30st day of September 2015, in the German, Catalan and English languages, each text being equally authentic. In case of divergence of interpretation the English text shall prevail.

For the Government of
the Principality of Liechtenstein

For the Government of
the Principality of Andorra