

**Agreement  
between the Principality of Liechtenstein and Canada  
for the Exchange of Information on Tax Matters**

The Principality of Liechtenstein and Canada, hereinafter referred to as the “Contracting Parties”,

whereas the Contracting Parties recognise that the well-developed economic ties between the Contracting Parties call for further cooperation,

whereas the Contracting Parties wish to further develop their relationship by cooperating to their mutual benefit in the field of taxation,

whereas the Contracting Parties wish to strengthen their abilities to enforce their respective tax laws, and

whereas the Contracting Parties wish to establish the terms and conditions governing the exchange of information on tax matters,

have agreed as follows:

**Article 1**

**Object and Scope of this Agreement**

1. The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement, including information that is foreseeably relevant to the determination, assessment and collection of such taxes with respect to persons subject to such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters in relation to such persons. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8.

2. The Contracting Parties shall ensure that any right or safeguard granted to persons by the respective laws and administrative practices of the Contracting Parties is not applied in a manner which unduly prevents or delays the effective exchange of information.

**Article 2**

**Jurisdiction**

A requested 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.

### **Article 3**

#### **Taxes Covered**

1. The taxes which are the subject of this Agreement are:
  - a) in the Principality of Liechtenstein:
    - (i) the personal income tax (Erwerbssteuer);
    - (ii) the corporate income tax (Ertragssteuer);
    - (iii) the corporation taxes (Gesellschaftssteuern);
    - (iv) the real estate capital gains tax (Grundstücksgewinnsteuer);
    - (v) the wealth tax (Vermögenssteuer);
    - (vi) the coupon tax (Couponsteuer);
    - (vii) the estate, inheritance and gift taxes (Nachlass-, Erbanfalls- und Schenkungssteuern); and
    - (viii) the value-added tax (Mehrwertsteuer);
  - b) in Canada, all taxes imposed or administered by the Government of Canada.
2. This Agreement shall also apply to any identical taxes imposed after the date of signature of this Agreement in addition to or in place of the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of this Agreement in addition to or in place of the existing taxes if the competent authorities of the Contracting Parties so agree. Furthermore, the scope of the taxes covered may be expanded or modified by mutual agreement of the Contracting Parties in the form of an exchange of letters. 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.

### **Article 4**

#### **Definitions**

1. For the purposes of this Agreement, unless otherwise defined:
  - a) the term "Principality of Liechtenstein" means, when used in a geographical sense, the area of the sovereign territory of the Principality of Liechtenstein;

- b) the term “Canada” means:
- (i) the land territory, internal waters and territorial sea, including the air space above these areas, of Canada;
  - (ii) the exclusive economic zone of Canada, as determined by its domestic law, consistent with Part V of the *United Nations Convention on the Law of the Sea*, done at Montego Bay on 10 December 1982 (UNCLOS); and
  - (iii) the continental shelf of Canada, as determined by its domestic law, consistent with Part VI of UNCLOS;
- c) the term “competent authority” means:
- (i) in the case of Canada, the Minister of National Revenue or the Minister’s authorised representative;
  - (ii) in the case of the Principality of Liechtenstein, the Government of the Principality of Liechtenstein or its authorised representative;
- d) the term “person” includes an individual, a company, a dormant inheritance, a trust, a partnership and any other body of persons;
- e) the term “company” means any body corporate, as well as any entity or any special asset endowment that is treated as a body corporate for tax purposes;
- f) the term “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 and sold by the public. Shares can be purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- g) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of the company;
- h) the term “recognised stock exchange” means any stock exchange agreed upon by the competent authorities of the Parties;
- i) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased and sold, or readily purchased and redeemed, by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a

limited group of investors;

- j) the term “tax” means any tax to which this Agreement applies;
- k) the term “applicant Party” means the Contracting Party requesting information;
- l) the term “requested Party” means the Contracting Party requested to provide information;
- m) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
- n) the term “information” means any fact, statement or record in any form whatever;
- o) the term “tax matters” means all tax matters, including criminal tax matters;
- p) the term “criminal tax matters” means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party; and
- q) the term “criminal laws” means all criminal tax laws recognized as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes.

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 to a common meaning pursuant to Article 11 of this Agreement, shall have the meaning that it has at that time under the laws of that Contracting Party, any meaning under the applicable tax laws of that Contracting Party prevailing over a meaning given to the term under other laws of that Contracting Party.

## **Article 5**

### **Exchange of Information Upon Request**

1. The competent authority of the requested Party shall provide, upon request of the applicant Party, information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the requested Party needs such information for its own tax purposes or whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the territory of the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the applicant Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under the domestic laws of the requested Party, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authority has the authority to obtain and provide upon request, in accordance with the terms of this Agreement:

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

b) information regarding the ownership of companies, partnerships, and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; and, in the case of foundations, information on founders, members of the foundation council and beneficiaries. Further, this Agreement does not create an obligation for the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

5. Any request for information shall be formulated in writing with the greatest detail possible and shall in all cases include the following:

a) the identity of the person under examination or investigation;

b) the taxable period for which the information is sought;

c) a description of the information sought including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;

d) the tax purpose for which the information is sought;

e) the grounds for believing that the information requested is foreseeably relevant to the administration and enforcement of the domestic tax laws of the applicant Party with regard to the person specified in subparagraph (a);

- f) the grounds for believing that the information requested is held in the territory of the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;
- g) to the extent known, the name and address of any person believed to be in possession of the requested information;
- h) a statement that the request is in conformity with the law and administrative practices of the applicant Party, that if the requested information was within the jurisdiction of the applicant Party then the competent authority of the applicant Party would be able to obtain the information under the laws of the applicant Party or in the normal course of its administrative practice and that it is in conformity with this Agreement; and
- i) a statement that the applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

6. The competent authority of the requested Party shall acknowledge receipt of the request to the competent authority of the applicant Party and shall use its best endeavours to forward the requested information to the applicant Party within a reasonable time.

## **Article 6**

### **Tax Examinations Abroad**

1. By reasonable notice given in advance the applicant Party may request, and the requested Party may allow, representatives of the competent authority of the applicant Party to enter the territory of the requested Party, to the extent permitted under its laws, to interview individuals and examine records with the prior written consent of the persons concerned. The competent authority of the requested Party shall notify the competent authority of the applicant Party of the time and place of the meeting with the individuals concerned.
2. At the request of the competent authority of the applicant Party, the competent authority of the requested Party may allow representatives of the competent authority of the applicant Party to be present at the appropriate part of a tax examination in the requested Party.
3. If the request referred to in paragraph 2 is acceded to, the competent authority of the requested Party conducting the examination shall, as soon as possible, notify the competent authority of the applicant Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the requested Party

for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the requested Party conducting the examination.

## **Article 7**

### **Possibility of Declining a Request**

1. The competent authority of the requested Party may decline a request of the applicant Party, where
  - a) the request is not made in conformity with this Agreement and, in particular, where the requirements of Article 5 are not met; or
  - b) the disclosure of the information requested would be contrary to the public policy (*ordre public*) of the requested Party.
  
2. The provisions of this Agreement shall not impose on a Contracting Party the obligation
  - a) to provide information which would disclose any trade, business, industrial, commercial, or professional secret, or trade process, provided that the information described in Article 5, paragraph 4 shall not by reason of that fact alone be treated as such a secret, or trade process; or
  - b) to obtain or provide information which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are produced for the purposes of:
    - (i) seeking or providing legal advice, or
    - (ii) use in existing or contemplated legal proceedings.
  
3. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.
  
4. The requested Party shall not be required to obtain or provide information which the applicant Party would be unable to obtain under its own laws or in the normal course of administrative practice in response to a valid request made in similar circumstances from the requested Party under this Agreement.
  
5. The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax laws of the applicant Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances.

## **Article 8**

### **Confidentiality**

1. All information provided and received by the competent authorities of the Contracting Parties under this Agreement shall be treated as confidential.
2. Such information may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, taxes in that jurisdiction. Such persons or authorities shall use such information only for such purposes. For these purposes such persons or authorities may disclose the information in public court proceedings or in judicial decisions.
3. Such information may not be used for any purpose other than for the purposes stated in Article 1 without the express written consent of the competent authority of the requested Party.
4. Subject to paragraph 2, information received under this Agreement shall not be disclosed to any other person, entity, authority, or any other State or jurisdiction not party to this Agreement.

## **Article 9**

### **Costs**

Incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Contracting Parties.

## **Article 10**

### **Other international agreements or arrangements**

The possibilities of assistance provided by this Agreement do not limit, nor are they limited by, those contained in existing international agreements or other arrangements between the Contracting Parties which relate to cooperation in tax matters.

## **Article 11**

### **Mutual Agreement Procedure**

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of this Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.
2. In addition to the agreements referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under this Agreement.
3. The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.
4. The Contracting Parties may also agree on other forms of dispute resolution.

## **Article 12**

### **Entry into Force**

1. This Agreement shall enter into force 30 days after the date of the later of the written notifications by which the Contracting Parties have notified each other that their respective requirements for the entry into force of this Agreement have been fulfilled.
2. This Agreement shall have effect for all requests made but only in respect of taxable periods beginning on or after the first day of January in the calendar year following that in which this Agreement enters into force, or where there is no taxable period, all charges to tax arising on or after that date.

## **Article 13**

### **Termination**

1. This Agreement shall remain in force until terminated. Either Contracting Party may terminate this Agreement by serving a notice of termination through diplomatic channels to the other Contracting Party.
2. This Agreement shall terminate on the first day of the month following the expiration of a period of three months after the date of the notice of termination.
3. After termination of this Agreement, both Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information provided and received under this Agreement.

IN WITNESS WHEREOF, the undersigned being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Vaduz this 31<sup>st</sup> day of January 2013 in the English, French and German languages, each version being equally authentic.

**FOR THE PRINCIPALITY  
OF LIECHTENSTEIN**

**FOR CANADA**

## **Protocol**

### *to the Agreement between the Principality of Liechtenstein and Canada on the exchange of information on tax matters*

On the occasion of the signing of the *Agreement between the Principality of Liechtenstein and Canada for the Exchange of Information on Tax Matters*, the Contracting Parties have agreed upon the following provisions, which shall be an integral part of this Agreement:

1. It is understood that the addition of the phrase “with respect to persons subject to such taxes” in Article 1 paragraph 1 does not prevent a Contracting Party from requesting information with respect to tax exempt entities or partnerships with at least one partner that is resident in that Contracting Party.
2. It is understood that for the purposes of Article 5 paragraph 5(e) the “grounds for believing that the information requested is foreseeably relevant” will generally be established by the items specified in writing under paragraph 5 considered in their totality.

**FOR THE PRINCIPALITY  
OF LIECHTENSTEIN**

**FOR CANADA**