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A: Interest deductibility: the implementation of BEPS Action 4

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Liechtenstein

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Summary and conclusions

Before 2011, the Principality of Liechtenstein had a tax system laid down in the sixties, that could not keep up with the steadily rising demands on international taxation. A total revision was necessary. In 2011 a new, modern tax law came into force that was already developed with dedicated focus on the new challenges of worldwide operating companies.

A re-characterisation of interests as a non-deductible distribution for purposes of avoidance of profit shifting is unknown in the Liechtenstein Tax Act. The Tax Act knows a re-characterisation of interests only in connection to business transactions between affiliated companies or between a company and its shareholders.

BEPS Action 4 is not implemented in Liechtenstein's legislation. Within the member states of the European Union, BEPS Action 4 will be introduced by the EU Directive 2016/1164 (ATAD), which foresees for the implementation of the BEPS Action 4 recommendations within extended period by 1 January 2024 at the latest. The respective EU directive has still not passed the EEA Joint Committee until now and therefore the basic condition for the transformation of EU legislative into the national law of the EEA member states is not given.

Liechtenstein included article 24 OECD Model Tax Convention in its Double Tax Treaties. The provision of article 24 paragraph 4 DTT prohibits a contracting state to apply discriminating rules concerning the deduction of interests. The objective of the regulation is to prohibit national regulations that allow the deduction of interests as far as the interests were payed to resident recipients whereas on the opposite the national law restricts the deduction of interests, which were payed to non-resident recipients.

In 2009, Liechtenstein firstly confirmed its readiness to negotiate agreements on information exchange on tax matters in order to address the global problem of tax fraud, tax evasion and the avoidance of double taxation (Liechtenstein Declaration). After the Liechtenstein Declaration 2009, Liechtenstein concluded comprehensive double tax treaties with Andorra, Bahrain, the Czech Republic, Georgia, Germany, Guernsey, Hong Kong, Hungary, Iceland, Luxembourg, Malta, Monaco, San Marino, Singapore, the United Arab Emirates, the United Kingdom, and Uruguay. Most of the DTAs follow the OECD model convention from 2008 or 2010 and contain provisions about mutual assistance procedures. Liechtenstein is still in negotiation with other countries to conclude further double tax treaties.

Additional to the double tax treaties several Tax Information Exchange Agreements (TIEAs) were concluded with among others Australia, Belgium, Canada, China, Denmark, Finland, France, India, Ireland, Italy, Japan, Norway the United States of America and the United Kingdom. Furthermore, Liechtenstein has adopted the Automatic Exchange of Information (AEOI) and the common reporting standard (CRS) of the OECD and has exchanged information firstly in the year 2017 with all member states of the EU (with exception of

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Austria) on the legal basis of the revised Savings Agreement between Liechtenstein and the EU, signed on 28 October 2015.

In the year 2013, Liechtenstein signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and has marked a further strategic step to a sustainable tax compliance strategy. The convention entered into force on 1 January 2017 and facilitates the tax administrations of the participating states by providing numerous means of multilateral cooperation in tax matters like the exchange of information to the recovery of tax claims abroad, spontaneous exchange of information, exchange of information on request, tax audits abroad, etc.

In general, the Tax Act of Liechtenstein does not include a provision that links a restriction like the non-deductibility of expenses to the domestic residence of the recipients.

Even if the regulation of interest limitation in the Tax Act Liechtenstein is not similar to the BEPS Action 4 provision, the existing regulation of the limitation of interests in combination with the several international agreements and the fact that Liechtenstein is not a country that is vulnerable for profit shifting via interest payments, can be considered as sufficient in order to achieve the purpose of BEPS Action 4.

Part One: General rules regarding interest deductibility

1.1. General overview

Before 2011 the Principality of Liechtenstein had a tax system laid down in the sixties that could not keep up with the steadily rising demands on international taxation. A total revision was necessary. In 2011 a new, modern tax law came into force that was already developed with dedicated focus on the new challenges of worldwide operating companies.

1.2. Definition of "interest"

The term interest is not defined in the Tax Act nor in the Company Act. The general understanding of the term "interest" corresponds wholly with the definition and interpretation of the OECD Model Tax Convention.

Therefore, interest is income from debt-claims of every kind, irrelevant if it is secured by mortgage or carrying out a right to participate in the debtor's profits. Income that is linked to equity capital like dividends, profits allocations, etc. is not included in article 11 OECD-MC.[3]

1.3. Interest deductibility

Before 2011, the deductibility of interests wasn't explicitly regularised. Article 77 Tax Act, which applied before 2011, stipulated that the taxable net income of a corporation had to be increased by the distributed profits and hidden profit distributions to shareholders and related parties.[4] Neither a regulation of the government of Liechtenstein nor a directive

[3] Cf. OECD (2015), Model Tax Convention on Income and on Capital 2014 (Full Version), OECD Publishing. C (11)-1.

[4] Cf. art. 77 para. 2 lit f Tax Act 1969.

from the tax administration about the interpretation and application of article77 Tax Act concerning the deductibility of interest expenses between related persons, was ever issued, with the result that the acceptance of the taxable deductibility of interest expenses has remained an administrative practice.

Since the implementation of the new Tax Act which entered into force on 1 January 2011, it is explicitly regulated that the tax base is calculated from the taxable net income, which shall be determined on the basis of the annual financial statements. In turn those statements have to be drawn up in accordance with the provisions of the Liechtenstein Persons and Companies Act.[5] Additional to the provisions of the Liechtenstein Persons and Companies Act, the taxable net income shall include payments for the transfer of borrowed funds to associated undertakings and shareholders or persons in a close relationship to them insofar that the amount of such payments does not adhere to the arm's length principle which is stipulated in article 49 Tax Act.[6] Article 49 Tax Act corresponds with the "arm's length principle" of article 9 OECD-MC. According to article 49 paragraph 1 Tax Act, in cases of taxpayer's income or expenditures which arise from business relationships with related persons for purposes of determining taxable net income, the income and essential expenditure, have to be estimated according to the conditions that would apply in a relationship between unconnected third parties.[7] According to the relevant provisions, payed interests are generally deductible from the taxable net income in Liechtenstein if the interest payments correspond to the arm's length principle. To simplify the administrative burden in connection to the determination of an arm's length interest rate the tax administration has published a directive concerning the determination of the non-cash benefits to shareholders or to related persons, which also includes a list of interest rates in the most common currencies that will be accepted by the tax administration as arm's length.[8]

Part Two: Limitation on interest deductibility before the BEPS Action 4 report

2.1. Limitation that re-characterise interest as a non-deductible distribution

A re-characterisation of interests as a non-deductible distribution for purposes of avoidance of profit shifting is unknown in the Liechtenstein Tax Act. The Tax Act knows a re-characterisation of interests only in connection to business transactions between affiliated companies or between a company and its shareholders. A re-characterisation implies that the interest-paying corporation is over indebted, the interest is owned legally and reported correct in the accounting of the paying corporation. Re-characterisations are made by the tax administration as part of the yearly tax assessment of the corporations.

5 Cf. art. 47 para. 1 Tax Act 2011.

6 Cf. art. 47 para. 3 lit g Tax Act 2011.

7 Cf. art. 49 para. 1 Tax Act 2011.

8 Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

2.2. Limitation that disallow interest deductions without any re-characterisation

By reference to article 47 paragraph 1 and article 47 paragraph 3 lit g Tax Act in connection to article 49 Tax Act, the tax administration Liechtenstein has introduced an interest limitation system by disallowance of interest deductions without any re-characterisation. According to article 47 paragraph 1 Tax Act the base of the corporate earnings tax is the taxable net income.[9] Article 47 paragraph 3 lit g Tax Act consists an additional provision that limits payments for the transfer of borrowed funds to associated undertakings, to shareholders or persons in a close relationship to the corporation, insofar as the payments do not adhere to the arm's length principle referred to in article 49 Tax Act.[10] Article 49 Tax Act regulates the arm's length principle which in general complies with the standard of the OECD Model Convention. For purpose of a consistent application of the interest limitation system, the tax administration has published an instruction concerning the determination of interest rates 2018 and the calculation of non-cash benefits.

According to this instruction the deductibility of payed interests is tested with a two-step procedure. Within the first step, three basic requirements have to be met on the level of the paying corporation, that payed interests are deductible expenses for tax purposes. The three requirements built the basis for the arm's length principle. If one of these requirements is not met, the respective loan agreement is not in line with the arm's length principle and the deduction of the payed interest will not be granted by the tax administration.

The first criteria is that the payed interests must be legally owed by the interest paying corporation.[11] With this requirement, the tax administration wanted to prevent that corporations could reduce the tax base with informal loan agreements.

The second criteria is that the interest expenses are properly entered into the accounts of the paying corporation.[12] This means that the tax administration prevents taxpayers to reduce their tax burden by interest expenses out of the balance sheet (e.g. by offsetting of interest expenses in the tax return).

The third requirement is that no over indebtedness on the level of the interest-paying corporation is given.[13] This requirement has to be seen under the legal view of the tax administration that an independent corporation would not grant a loan to a corporation that is over indebted without sufficient securities.

If these three requirements are fulfilled, step one of the test is concluded with the result that the deductibility of interest expenses to affiliated companies would basically be granted.

Step two of the instruction of the tax administration foresees an interest cap on the amount of the interest rate and not on the amount of the deductible interests like in the BEPS Action 4. For this purpose, the tax administration is publishing maximum interest rates on a yearly basis. Within these rates, a deductibility of the payed interests to affiliated companies or shareholders will be granted by the tax administration. The interest rates depend on the value date and the respective key rates plus risk surcharges. For 2018, the tax administration

9 Cf. art. 47 para. 1 Tax Act 2011.

10 Cf. art. 47 para. 3 in connection to art. 49 para. 1 Tax Act 2011.

11 Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

12 Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

13 Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

fixed a maximum interest rate of 1.5% for debt capital in CHF, 1.75% for debt capital in EUR, 2.75% for debt capital in GBP, etc. This system of interest limitation is applicable irrespective of the borrower of the debt capital having its seat in Liechtenstein or abroad.[14] The limitation of interest deductions in Liechtenstein is applicable only on the level of a domestic borrower which is subject to unlimited tax liability in Liechtenstein. The tax related adjustments in conjunction with the limitation of interests take place in the tax bill of the borrower and not in the underlying financial statement. The tax act does not include limitations of interest expenses by reference to the lender or in other considerations.

Part Three: Implementation of the proposals in the BEPS Action 4 report

3.1. General overview

Liechtenstein did not implement the BEPS Action 4 report as required in the 2016 Update because the proposed instruments are not efficient for this country; they would stand for higher costs than additional tax income.

3.2. No implementation of the BEPS Action 4 report

In accordance with the 2016 OECD Update "Limiting Base Erosion Involving Interest Deductions and Other Financial Payments" there are six approaches to tackle base erosion and profit shifting involving interest. [15] The first approach is the arm's length test, which compares the level of interests or debt in an entity with the position that would have existed if the entity would have been dealing entirely with third parties. The second approach is a withholding tax on interest payments for allocating taxing rights to a source jurisdiction. The third approach includes rules, which disallow a specified percentage of the interest expense or of an entity, irrespective of the nature of the payment or to whom it is made. The fourth approach includes rules, which limit the level of interest expense or debt in an entity with reference to a fixed ratio, such as debt/equity, interest/earnings or interest/total assets. The fifth approach comprises rules that limit the level of interest expense or debt in an entity with reference to the group's overall position. Approach number six targets anti-avoidance rules which disallow interest expense on specific transactions.

An important element in understanding the approach of Liechtenstein is that Liechtenstein has only a national territory of 160 km², thereof a settlement area of only 18 km² and 37.810 residents. The gross value added is divided into 41% industry and manufacturing sector, 27% general services, 25% financial services and 7% agriculture and households (primarily the renting of properties). From 4.567 companies 87 employ more than 50 people

[14] Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

[15] Cf. *OECD (2017)*, Limiting Base Erosion Involving Interest Deductions and Other Financial Payments, Action 4 – 2016 Update: Inclusive Framework an BEPS, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris: p. 23

and only 17 more than 250 people.[16] It is clear that not every of the proposed six rules, that are yet applied by several countries, is an appropriate instrument for a country like Liechtenstein. Below, it shows which instruments Liechtenstein has already transcribed and which not.

The arm's length principle: is the most suitable instrument for Liechtenstein and already implemented and practiced since years. It is transcribed in article 49 Tax Act and, developed in connection to article 47 paragraph 1 and paragraph 3 lit g Tax Act, the base of the system of amendment of interest expenses of the tax administration concerning the deductibility of interest payments between associated corporations.[17]

According to article 47 paragraph 1 Tax Act corporate earnings tax is determined on the basis of the taxable net income, which in return shall be determined on the basis of the annual financial statements to be drawn up in accordance with the provisions of the Liechtenstein Persons and Companies Act, taking into account the provisions set out below. Additional to that, article 47 paragraph 3 Tax Act stipulates that the taxable net income shall consist of total income less commercially justified expenses. Commercially justified expenses shall include in particular payments for the transfer of borrowed funds to associated undertakings and shareholders or persons in a close relationship to them, insofar as in terms of amount such payments do not at the very least adhere to the arm's length principle referred to in article 49.[18]

The arm's length principle is the main instrument of the tax administration to restrict an excessive and harmful tax deductibility within associated corporations. Article 49 Tax Act requires that a taxpayer's income or expenditure arising from a business relationship with related persons or with a permanent establishment, varies because the underlying conditions were different from the conditions that would have been agreed by unconnected third parties under otherwise identical conditions that would have applied in a relationship between unconnected third parties. Additionally, article 49 Tax Act foresees that the taxpayer shall be obliged to provide documentary evidence that the transfer pricing of significant transactions with related persons and permanent establishments is appropriate.

In order to simplify the handling of these provisions, the tax administration published instructions concerning the determination of interest rates and the calculation of non-cash benefits on a yearly basis. According to the instruction, the deductibility of the payed interests to affiliated companies on the level of the paying entity is basically granted as long as the payed interests are legally owed by the paying entity, properly entered into the company's books and no over indebtedness of the paying entity is given.

To provide the taxpaying entities with even greater security and to help them to make the right decisions in terms of their debt financing and the resulting tax effects, the tax administration of Liechtenstein specified the arm's length principle in relation to its deductibility with a directive.[19] As seen before, a maximum interest rate for various currencies is yearly fixed therein. These rates must be seen as a "safe haven". Different rates can be set, if it can be proved that they can stand the arm's length test.

All instruments suggested by the OECD are focused on the tax deductibility of the borrower.

Liechtenstein tries to attract companies with, among other things, a low corporate tax rate from 12.5%. Therefore, the problem of base erosion by debt interests into a low tax

16 Cf. *Amt für Statistik Fürstentum Liechtenstein (2017)*, Liechtenstein in Zahlen 2018, p. 4, 19

17 Cf. art. 47 para. 1 and para. 3 lit g Tax Act 2011.

18 Cf. art. 47 para. 3 lit g Tax Act 2011.

19 Cf. *Tax Administration*, Instruction concerning determination of interest rates 2018 and the calculation of non-cash benefits, February 2018.

jurisdiction does not previously exist. But it should be noted that Liechtenstein – the other way around – recently restricted the tax exemption of passive earnings, inter alia interests, for entities with limited tax liability and with a specified size of their equity holding.[20]

Concerning the approach of a withholding tax on interest payments it has to be kept in mind that before 2011, Liechtenstein had only four Double Tax Treaties. In the year 2018, nearly 20 double tax treaties were concluded and all of them are based on the OECD Model Tax Convention which generally foresees in article11 of the respective Double Tax Treaties, that the interests arising in a contracting state and paid to a resident of another contracting state may be taxed in the latter.[21] Only the Double Tax Treaties between Liechtenstein and Singapore, and Liechtenstein and Uruguay foresee in a source taxation of interest payments. While the old tax act in Liechtenstein had foreseen a withholding tax of 4% from the gross payment, the new tax act does not have a provision for a withholding tax. Therefore, the approach of a withholding tax on interest payments is not feasible in Liechtenstein because Liechtenstein does not have a national provision for a withholding tax.

This rule disallows a specified percentage of interest expenses of an entity, irrespective of the nature of the payment or to whom it is made to be implemented with the instruction of the tax administration and with article 47 paragraph 1 and 3 lit g Tax Act.

The advantage of this policy is that in Liechtenstein taxable entities cannot reduce their tax liabilities by a replacement of equity with debt capital. This sanction equally applies for all entities and does not distinguish if the interests come from a foreign or a domestic source.

Rules about limitations on interest expenses and on debt capital would be difficult to apply in Liechtenstein.

The best practice recommendation of the OECD includes the introduction of several rules. These are rules which limit the level of interest expense or debt in an entity with reference to a fixed ratio, such as debt/equity, interest/earnings or interest/total assets. Additional to that rule the states should introduce provisions that limit the level of interest expense or debt in an entity with reference to the group's overall position, and anti-avoidance rules that disallow interest expense on specific transactions. [22]

For Liechtenstein and its structure of a large number of small companies, the implementation of such systems would increase high administration costs on the side of both the tax administration and the taxpayers. In this context, it has to be kept in mind that even smaller corporations, which are members of groups, have to fulfil the provisions only to provide evidence towards the tax administration so that they are not included in the relevant provisions. Additional to the increasing administrational costs the benefit of such a regulation would be very low for both sides.

Furthermore, there are not only positive voices for the so-called interest barrier rules, especially in a European context. These rules should bring profits back to the appropriate place of taxation but can also lead to excessive and unjustified taxation of companies and override the sovereignty of the single states.[23] It would be really difficult to unite the net principle and the financing freedom with the barrier rules.

[20] Cf. art. 48 Tax Act.

[21] Cf. *OECD (2015)*, Model Tax Convention on Income and on Capital 2014 (Full Version), OECD Publishing, art. 11.

[22] Cf. *OECD (2017)*, Limiting Base Erosion Involving Interest Deductions and Other Financial Payments, Action 4 – 2016 Update: Inclusive Framework an BEPS, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris: p. 25.

[23] Cf. Offermanns, René, Huibregtse, et.al., BEPS Action 4: Political Considerations an Implementation Status; European Taxation February/March 2017 p. 47 ff

Beneath the double-taxation treaties based on the OECD Model Tax Convention, Liechtenstein concluded over 40 TIEA's, provides information upon request and spontaneously to more than 100 countries (MAK), implemented as an early adopter automatically information exchanges (AIA) upon US law (FATCA) and the OECD standard, and fulfilled the demands of the Code-of-Conduct-Group. Beneath the constant adaption of the national tax law, Liechtenstein has several instruments that avoid base erosion and profit shifting relating to interests.

3.3. European Union implementation

BEPS Action 4 is not implemented in Liechtenstein's legislation. Within the member states of the European Union, BEPS Action 4 will be introduced by the EU Directive 2016/1164 (ATAD), which foresees for the implementation of the BEPS Action 4 recommendations within an extended period by 1 January 2024 at the latest.[24] The respective EU directive has still not passed the EEA Joint Committee until now and therefore the basic condition for the transformation of EU legislative into the national law of the EEA member states is not given.

The European Economic Area Agreement that was concluded between the European Union and the EFTA states (Norway, Iceland and Liechtenstein) foresees a transformation and implementation process of EU legislation into the national law of the three EFTA states.[25] This process comprises two main steps. In a first step, the EU legislation has to pass through the EEA Joint Committee. Members of the EEA Joint Committee are representatives of the EU, of Iceland, Liechtenstein and Norway. The EEA Joint Committee shall decide unanimously. Consequently, every EEA/EFTA state has a veto against the adoption of EU legislation into the EEA Agreement. The resolution of the EEA Joint Committee makes the EU legislation internationally binding for the EEA member states, provided that the constitutional consent is given by the national parliaments of the EEA member states.[26]

The second step of the transformation and implementation process is the implementation of the resolution of the EEA Joint Committee into national law of the member states. In Liechtenstein every EU legislation which passes the EEA Joint Committee, and which will change statutory law, needs constitutional consent by parliament. At this point, it has to be kept in mind that national law being opposed to transformed EU legislation will be repealed as unconstitutional through the constitutional court in Liechtenstein.[27]

Part Four: Cross-border consequences

4.1. Domestic rules addressing foreign interest-limitation rules

Liechtenstein included article 24 OECD Model Tax Convention in its Double Tax Treaties. The provision of article 24 paragraph 4 DTT prohibits a contracting state to apply discriminating rules concerning the deduction of interests. The objective of the regulation is to prohibit

[24] Cf. rt. 11 of the Council Directive 2016/1164 of 12 July 2016.
[25] Cf. *EEA*, EEA Agreement of 2. May 1992 about the common market.
[26] Cf. *Bussjäger/Frommelt*, LJZ Heft 2.2017, p. 40f.
[27] Cf. *Bussjäger/Frommelt*, LJZ Heft 2.2017, p. 40f.

national regulations that allow the deduction of interests as far as the interests were payed to resident recipients whereas on the opposite the national law restricts the deduction of interests, which were payed to non-resident recipients.[28]

In general, the Tax Act of Liechtenstein does not include a provision that links a restriction like the non-deductibility of expenses to the domestic residence of the recipients. Therefore, irrespective of whether the recipient is resident or not, the Tax Act Liechtenstein limits the deduction of interests but makes no difference if the interests are payed to a domestic or a foreign corporation.

4.2. Mutual agreement and other mechanisms for avoiding double taxation

4.2.1. Before BEPS Action 4 report

As already stated, in 2009 Liechtenstein had only concluded a tax treaty with Austria. The treaty was based on the OECD Model Agreement 1976 and did not include regulations about mutual assistant agreements. Other treaties were not concluded.

4.2.2. After the BEPS Action 4 report

Before 2009, Liechtenstein had only concluded a tax treaty with Austria. The treaty was based on the OECD Model Agreement 1976 and did not include regulations about mutual assistant agreements. Other treaties were not into force until the year 2009. In 2009, Liechtenstein firstly confirmed its readiness to negotiate agreements on information exchange on tax matters in order to address the global problem of tax fraud, tax evasion and the avoidance of double taxation (Liechtenstein Declaration).[29] After the Liechtenstein Declaration 2009, Liechtenstein concluded comprehensive double tax treaties with Andorra, Bahrain, the Czech Republic, Georgia, Germany, Guernsey, Hong Kong, Hungary, Iceland, Luxembourg, Malta, Monaco, San Marino, Singapore, the United Arab Emirates, the United Kingdom, and Uruguay. Most of the DTAs follow the OECD model convention from 2008 or 2010 and contain provisions about mutual assistance procedures. Liechtenstein is still in negotiation with other countries to conclude further double tax treaties.

Additional to the double tax treaties several Tax Information Exchange Agreements (TIEAs) were concluded with among others Australia, Belgium, Canada, China, Denmark, Finland, France, India, Ireland, Italy, Japan, Norway, the United States of America, the United Kingdom, etc.

Furthermore, Liechtenstein has adopted the Automatic Exchange of Information (AEOI) and the common reporting standard (CRS) of the OECD and has exchanged information firstly in the year 2017 with all member states of the EU (with exception of Austria) on the legal basis of the revised Savings Agreement between Liechtenstein and the EU, signed on 28 October 2015.

In 2013, Liechtenstein signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and has marked a further strategic step to a sustainable tax

[28] Cf. *OECD (2015)*, Model Tax Convention, C(24)-24, Nr. 73f.

[29] Cf. *Regierung des Fürstentum Liechtenstein*, Government Declaration, 14. November 2013, p. 2.

compliance strategy.[30] The convention entered into force on 1 January 2017 and facilitates the tax administrations of the participating states by providing numerous means of multilateral cooperation in tax matters like the exchange of information to the recovery of tax claims abroad, spontaneous exchange of information, exchange of information on request, tax audits abroad, etc.[31]

Even if the regulation of interest limitation in the Tax Act Liechtenstein is not similar to the BEPS Action 4 provision, the existing regulation of the limitation of interests in combination with the several international agreements and the fact that Liechtenstein is not a country that is vulnerable for profit shifting via interest payments, can be considered as sufficient in order to achieve the purpose of BEPS Action 4.

30 Cf. *Regierung des Fürstentum Liechtenstein*, Government Declaration, 14. November 2013, p. 1f.

31 Art. 5 ff Mutual Administrative Assistance in Tax Matters (MAC).


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