

verordnung-UK<sup>159</sup>. The TIEA has been in force since August 2009 and the Steueramtshilfegesetz since September 2010.

Part three comprises the arrangements which have to be made by HMRC. HMRC made the disclosure facility available from 1 September 2009 and issues certificates for compliant taxpayers. Furthermore, HMRC provides restriction-free market access for Liechtenstein FIs.<sup>160</sup> The opportunity for restriction-free market access is a good arrangement, but it's debatable whether it will be used by the FIs. To date, only Bank Frick has used the opportunity and opened a branch in London.<sup>161</sup>

Termination is regulated in part four. The MoU can be terminated with six months' advance notice. The party who wants to terminate has to state their reasons.<sup>162</sup> A termination is currently not anticipated. On the contrary, the LDF term has been extended to 2016 by the third Joint Declaration.<sup>163</sup>

Notices and miscellaneous matters are regulated in part five and six. Notices have to be given by the Prime Minister of Liechtenstein to the Commissioners of HMRC and vice versa.<sup>164</sup> Furthermore, any amendments have to be made in writing. The MoU took effect on 11 August, 2009.<sup>165</sup>

Since the LDF was negotiated, delegations from HMRC have regularly visited Liechtenstein to discuss issues, cases and questions with the Government and representatives of the financial market. A participating representative reports that the atmosphere and the dialogue are illuminative and productive. HMRC is engaged in offering practicable solutions to problems.

### **2.3.3.3 Schedule 1: Terms and Phrases**

Schedule 1 defines terms and phrases. The most important terms are the following:

**Financial Intermediary:** The MoU's area of application is primarily FIs in Liechtenstein.<sup>166</sup> An FI is every person who is supervised by the Liechtenstein Financial Market Authority (FMA). As this includes advisors and lawyers in addition to banks and trustees, the definition is very comprehensive.<sup>167</sup> This definition is more

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<sup>159</sup> Steueramtshilfeverordnung-UK (AHV-UK) vom 31. August 2010, LBGI. 2010, Nr. 254

<sup>160</sup> Memorandum of Understanding, 2009, part 3.

<sup>161</sup> Liechtensteiner Vaterland, 2012.

<sup>162</sup> Memorandum of Understanding, 2009, part 4.

<sup>163</sup> Third Joint Declaration, 2010, no. 2.

<sup>164</sup> Memorandum of Understanding, 2009, part 5.

<sup>165</sup> Memorandum of Understanding, 2009, part 6.

<sup>166</sup> Memorandum of Understanding, 2009, schedule 1, no. 1, letter g.

<sup>167</sup> Hiristov, 2012, p. 171.