

Andorra

Rank: #62

Andorra is responsible for 0.15% of the world's corporate tax abuse risks.

CTHI Value: 67

Haven Score: 61.3



How much scope for corporate tax abuse the jurisdictions's tax and financial systems allow. 0 means no scope, 100 means unrestrained scope.

Global Scale Weight: 0.002%



How much of the financial activity conducted by multinational corporations around the world is hosted by the jurisdiction.

The jurisdiction's CTHI value (Corporate Tax Haven Index value) is a measure of how intensely the jurisdiction enables multinational corporations to abuse corporate tax. The jurisdiction is ranked on the index by its CTHI value.

A jurisdiction's CTHI Value is calculated by first grading its tax and financial systems with a Haven Score out of 100 where a zero means the jurisdiction's laws allow no scope for corporate tax abuse and a 100 means they allow unrestrained scope. The jurisdiction's Haven Score is then combined with its Global Scale Weight, ie the volume of financial activity conducted in the country by multinational corporations, to calculate how much corporate financial activity the jurisdiction puts at risk of corporate tax abuse.

A higher CTHI value does not mean a jurisdiction has more aggressive tax laws, but rather that the jurisdiction's laws and its position in the global economy combine to create a greater risk of corporate tax abuse by multinational corporations.

Haven Score breakdown



61.3

LOWEST AVAILABLE CORPORATE INCOME TAX

Haven Indicator 1: LACIT ▲



71

This indicator identifies the lowest available corporate income tax rate (LACIT) for any large for-profit company that is tax resident in a country. It takes the statutory corporate income tax rate only as a starting point to analyse legal gaps and loopholes that result in lower accessible rates. The scoring of Haven Indicator 1 is computed by scaling that LACIT rate against the spillover risk reference rate of 35% (the highest available corporate income tax rate in a democracy).

ID 505 — Statutory corporate income tax rate ▲

Question: Statutory-CIT-Rate: What is the statutory CIT rate reported by the OECD (or alternatively by IBFD or KPMG)?

Answer: 10 %

Sources:

- [KPMG 2020](#)
- [OECD Stats 2020a](#)
- [IBFD 2020d](#)
- <https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>
- https://stats.oecd.org/Index.aspx?DataSetCode=CTS_CIT

ID 506 — Corporate income tax rate: Correction for size of company ▲

Question: CIT-Rate-Correction-Size: What is the deviating CIT rate, if any, applicable to the largest companies in the jurisdiction?

Answer: Not applicable

ID 507 — Corporate income tax rate: Correction for sectoral exemptions ▲

Question: CIT-Rate-Correction-Sector: What is the lowest deviating CIT rate, if any, applicable to companies in jurisdictions exempting a broad range of sectors (at least four full and/or eight partial exemptions)?

Answer: Not applicable

Notes:

- Prior to 2019, companies engaging in international operations involving intangibles assets, the international trading of goods or intra-group financial management, and investment activities- which we consider all together as broad exemptions- have benefited from a reduction of 80% of the CIT (Deloitte 2020). However, according to the June 2019 update of the OECD's Harmful Tax Practices Progress Report on Preferential Regimes, those exemptions were abolished with a grandfathering provision (OECD HTP 2019a). According to Deloitte, the grandfathering period applies until end of 2020 (Deloitte 2020). Hence, we conclude that these broad exemptions are no longer relevant for this indicator.

Sources:

- [OECD HTP 2019a](#)
- [Deloitte 2020](#)
- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-andorrahighlights-2020.pdf>

ID 541 — Corporate income tax rate: Correction for subnational regions ▲

Question: CIT-Rate-Correction-Regions: What is the lowest deviating CIT rate, if any, applicable in the political subdivision/subnational region with the lowest CIT rate?

Answer: Not applicable

ID 542 — Corporate income tax rate: Adjustment for retention or distribution ▲

Question: CIT-Rate-Adjustment-Retention: What is the lowest deviating CIT rate, if any, applicable to distributed or retained profits?

Answer: Not applicable

ID 543 — Corporate income tax rate: Adjustment for specific type of company ▲

Question: CIT-Rate-Adjustment-Type: What is the lowest deviating CIT rate, if any, applicable to specific types of companies?

Answer: Not applicable

Notes:

- While Collective Investment Vehicles are taxed at 0% (IBFD 2020d), these are covered under Haven Indicator 5.

Sources:

- <https://iclg.com/practice-areas/public-investment-funds-laws-and-regulations/andorra>
- IBFD 2020d [↗](#)

ID 544 — Corporate income tax rate: Adjustment for territorial tax base ▲

Question: CIT-Rate-Adjustment-Territorial: What is the lowest deviating CIT rate, if any, applicable to active business income from foreign sources?

Answer: Not applicable

ID 545 — Corporate Income Tax Rate: Adjustment for tax rulings ▲

Question: CIT-Rate-Adjustment-Rulings: What is the lowest deviating CIT rate, if any, derived from documented cross-border unilateral tax rulings issued by the authorities in the jurisdiction?

Answer: Not applicable

ID 587 — Corporate tax residency scope ▲

Question: Corporate tax residency scope: Do the domestic rules for corporate tax residency include as tax resident at least all locally incorporated companies?

Answer: INC & MNG: Yes, all locally incorporated companies are considered tax residents, and in addition some foreign-incorporated companies are considered tax resident (e.g. those with effective management and control in the jurisdiction).

Sources:

- Deloitte 2020a [↗](#)

LOOPHOLES AND GAPS

Haven Indicator 2: Foreign Investment Income ▲

50

This indicator assesses whether a country includes worldwide capital income in its corporate income tax base and if its domestic law grants unilateral tax credits for foreign tax paid on certain foreign capital income.

ID 555 — Double taxation relief, dividends, related parties ▲

Question: *Legal Person, Resident, Related Party: Dividends

Answer: Exemption.

Notes:

- Andorra implements participation exemption for foreign dividend income if the company has a 5 per cent participation for a period of least 1 year (IBFD 2020d; 2.2.).

Sources:

- IBFD 2020d [↗](#)

ID 554 — Double taxation relief, royalties ▲

Question: Legal Person, Resident: Royalties

Answer: Credit.

Notes:

- Andorra provides tax credit for foreign royalty income (IBFD 2020d: 6.1.4). Although this jurisdiction has a patent box (see ID 515), we disregard such regime from this indicator because it is compliant with OECD nexus constraints (for more details, please refer to Haven Indicator 7 methodology).

Sources:

- IBFD 2020d [↗](#)
- Deloitte 2020a [↗](#)

ID 553 — Double taxation relief, interest ▲

Question: *Legal Person, Resident: Interest

Answer: Credit.

Notes:

- Andorra provides tax credit for foreign interest income up to a maximum of 10 per cent (IBFD 2020d: 6.1.4.).

Sources:

- IBFD 2020d [↗](#)

ID 552 — Double taxation relief, dividends, independent parties ▲

Question: *Legal Person, Resident, Independent Party: Dividends

Answer: Exemption.

Notes:

- In principle, Andorra provides tax credit for foreign dividend income (IBFD 2020d: 6.1.4.). However, the jurisdiction implements participation exemption for foreign dividend income if the company has a 5 per cent participation for a period of at least 1 year (IBFD 2020d: 2.2). Thus, using our threshold of "less than 10%" to characterize independent party shareholding, we consider that in Andorra foreign independent party dividends are also exempt in the hands of Andorran corporate shareholders.

Sources:

- IBFD 2020d [↗](#)

Haven Indicator 3: Loss Utilisation

38

This indicator measures whether a jurisdiction provides loss carry backward and/or unrestricted loss carry forward for ordinary and trading losses. Capital losses fall outside the scope of this indicator.

ID 509 — Loss carry backward

Question: Loss Carry Backward: Does the jurisdiction allow loss carry backward?

Answer: No

Notes:

- In Andorra, loss carry-backward is not allowed (IBFD 2020d: 1.5.1.).

Sources:

- IBFD 2020d [↗](#)

ID 510 — Loss carry forward

Question: Loss Carry Forward: Does the jurisdiction restrict loss carry forward independent of change of ownership?

Answer: Yes, loss carry forward is available with a time limit of more than 5 years but there is no annual ceiling.

Notes:

- In Andorra, loss carry forward is available for 10 subsequent years. There is no annual ceiling (IBFD 2020d: 1.5.1.).

Sources:

- IBFD 2020d [↗](#)

Haven Indicator 4: Capital Gains Taxation

100

This indicator measures the extent to which a jurisdiction taxes corporate capital gains arising from the disposal of domestic and/or foreign securities (i.e. shares and bonds). As such, it assesses the lowest available tax levied on corporate capital gains, applicable for large for-profit corporations which are tax resident in the jurisdiction, irrespective of whether the capital gains are taxed as part of corporate income tax or as part of another type of tax, such as wealth tax or an independent capital gains tax.

ID 513 — Domestic securities capital gains taxation

Question: Domestic Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of domestic securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

Answer: 0 %

Notes:

- Capital gains derived from the transfer of qualifying participations are exempt (participations of at least 5% of total capital, held for more than a year) (Deloitte 2020a; IBFD 2020d: 1.4.). With regards to capital gains on domestic real estate, disposal of real property is subject to a tax ranging from 0 to 15% depending on the number of years the property has been held (ibid.). In the case of gains upon disposal of properties held for over 10 years, there is a full exemption from capital gains tax (IBFD 2020d: 3.).

Sources:

- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-andorrahighlights-2020.pdf>
- <https://www.globallegalinsights.com/practice-areas/corporate-tax-laws-and-regulations/andorra>
- <https://andorraguides.com/tax/rates/>
- IBFD 2020d: 1.4. [↗](#)

ID 514 — Foreign securities capital gains taxation

Question: Foreign Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of foreign securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

Answer: 0 %

Notes:

- The exemption of capital gains derived from the transfer of qualifying participation also applies to capital gains arising from the sale of shares of foreign subsidiaries (globallegalinsights.com). Indeed, IBFD confirms that the sale of shares in foreign subsidiaries may be tax exempt, provided the foreign tax liability upon disposal is at least 40% of Andorran tax liability, the shareholding was 5% of total capital, and it was maintained for one year at least (IBFD 2020d: 1.4.).

Sources:

- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-andorrahighlights-2020.pdf>
- <https://www.globallegalinsights.com/practice-areas/corporate-tax-laws-and-regulations/andorra>
- <https://andorraguides.com/tax/rates/>
- IBFD 2020d: 1.4. [↗](#)

Haven Indicator 5: Broad Exemptions

50

This indicator measures the availability of broad exemptions from corporate income tax (CIT). It covers exemptions applicable to companies engaged in specific activities or sectors.

ID 524 — Real estate investment sector tax exemption (passive) ▲

Question: Real Estate Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in real estate?

Answer: Unknown

Notes:

- There is no indication that exempt investment vehicles are prevented from investing in real estate. See note on [ID525].

Sources:

- [IBFD 2020d](#)

ID 525 — Financial investment sector tax exemption (passive) ▲

Question: Other Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in assets other than real estate?

Answer: Full: Yes, there are full tax exemptions.

Notes:

- In Andorra, according to article 41 of the LIS, Collective Investment Vehicles are taxed at 0% (IBFD 2020d, 1.6.1.).

Sources:

- [IBFD 2020d](#)

ID 526 — Extractive sector tax exemption ▲

Question: Extractives (active): Are there any (partial) tax exemptions applicable to companies active in the extractives sector (oil, gas, mining)?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 527 — Agriculture and farming sector tax exemption ▲

Question: Agriculture and farming (active): Are there any (partial) tax exemptions applicable to companies active in the agricultural and farming sector?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 528 — Manufacturing sector tax exemption ▲

Question: Manufacturing (active): Are there any (partial) tax exemptions applicable to companies active in the manufacturing sector?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 529 — Construction sector tax exemption ▲

Question: Construction (active): Are there any (partial) tax exemptions applicable to companies active in the construction sector?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 530 — Infrastructure sector tax exemption ▲

Question: Infrastructures (active): Are there any (partial) tax exemptions applicable to companies active in the infrastructures sector?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 531 — Transportation and storage sector tax exemption ▲

Question: Transportation and storage (active): Are there any (partial) tax exemptions applicable to companies active in the transportation and storage sector?

Answer: None: No, there are no specific exemptions.

Sources:

- [IBFD 2020d](#)

ID 532 — Distribution sector tax exemption ▲

Question: Distribution (active): Are there any (partial) tax exemptions applicable to companies active in the distribution sector?

Answer: None: No, there are no specific exemptions.

Notes:

- [Disregarded] Companies engaging in intangibles holdings, intra-group financial management , and international trade activities benefit from an 80% exemption from CIT (Deloitte 2020a). We consider that these partial exemptions relate to the following sectors: "distribution & wholesale" (international trade) and "business services" (intangibles, intra-group financial management). The January 2019 update of the Harmful Tax Practices - 2017 Progress Report on Preferential Regimes (OECD HTP 2019) indicates that the 'intercompany and financing regime' and the 'international trade' regime have been abolished, with grandfathering provided according with 'FHTP guidelines'. Although under such guidelines, the regime may apply until 30 June 2021, Deloitte (2020a) informs that the regime will be applicable until 2020 for taxpayers applying to the regime before 2018. Accordingly, because the regime will not be in force during 2021, we consider in this edition of the CTHI that the above exemptions are not available.

Sources:

- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-andorrahighlights-2020.pdf>
- Deloitte 2020a [↗](#)
- https://www.bopa.ad/bopa/030047/Pagines/GD20180807_11_14_51.aspx
- <https://andorraguides.com/tax/rates/>
- OECD FTP 2019 [↗](#)

ID 533 — Accommodation, food and recreation sector tax exemption ▲

Question: Accommodation, food and recreation (active): Are there any (partial) tax exemptions applicable to companies active in the accommodation, food and recreation sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020d [↗](#)

ID 534 — Information and telecom sector tax exemption ▲

Question: Information and telecom (active): Are there any (partial) tax exemptions applicable to companies active in the information and telecom sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020d [↗](#)

ID 535 — IT services sector tax exemption ▲

Question: IT services (active): Are there any (partial) tax exemptions applicable to companies active in the IT services sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020d [↗](#)

ID 536 — Banking and insurance sector tax exemption ▲

Question: Banking and insurance (active): Are there any (partial) tax exemptions applicable to companies active in the banking and insurance sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020d [↗](#)

ID 537 — Professional and technical services sector tax exemption ▲

Question: Professional and technical services (active): Are there any (partial) tax exemptions applicable to companies active in the professional and technical services sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020d [↗](#)

ID 538 — Business services sector tax exemption ▲

Question: Business services (active): Are there any (partial) tax exemptions applicable to companies active in the business services sector?

Answer: None: No, there are no specific exemptions.

Notes:

- With regards to intangibles holdings, the Progress Report indicates that this regime has been amended in line with the OECD's "nexus approach", with grandfathering until 2021 (OECD HTP 2019: 21). Indeed, the 2018 amendment to the law provides that the exemption is calculated in proportion to the effective expenses incurred by the taxpayer company (Andorra Legislative Decree 2018: Article 23). Thus, the amendment includes cost-based criteria to qualify for the 'intangibles holdings' preferential regime.
- Otherwise, with regards to the intra-group financial management regime, Deloitte (2020a) informs that the regime will be applicable until 2020 for taxpayers applying to the regime before 2018. Accordingly, we consider in this edition of the CTHI that the above exemptions are not available (see note in ID 532).

Sources:

- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-andorrahighlights-2020.pdf>
- Deloitte 2020a [↗](#)
- IBFD 2020d [↗](#)
- https://www.bopa.ad/bopa/030047/Pagines/GD20180807_11_14_51.aspx
- Andorra Legislative Decree 2018 [↗](#)
- <https://andorraguides.com/tax/rates/>
- OECD HTP 2019 [↗](#)

permanent) given to companies located in designated economic zones.

ID 540 — Tax holidays, non-economic zones, full exemption ▲

Question: NonEZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

Answer: 0

Notes:

- There is no indication that the jurisdiction offers profits-based tax exemptions that are limited in time or only applicable to specific economic zones (or administrative subdivisions).

Sources:

- IBFD 2020d [↗](#)
- https://www.bopa.ad/bopa/030047/Pagines/GD20180807_11_14_51.aspx
- <https://andorraguides.com/tax/rates/>

ID 539 — Tax holidays, non-economic zones, partial exemption ▲

Question: NonEZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

Answer: 0

Notes:

- See note above [ID540].

Sources:

- IBFD 2020d [↗](#)

ID 504 — Permanent, economic zones, full exemption ▲

Question: EZ-Permanent-Full: How many permanent and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID540].

Sources:

- IBFD 2020d [↗](#)

ID 503 — Permanent, economic zones, partial exemption ▲

Question: EZ-Permanent-Partial: How many permanent and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID540].

Sources:

- IBFD 2020d [↗](#)

ID 502 — Tax holidays, economic zones, full exemption ▲

Question: EZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID540].

Sources:

- IBFD 2020d [↗](#)

ID 501 — Tax holidays, economic zones, partial exemption ▲

Question: EZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

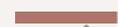
Notes:

- See note above [ID540].

Sources:

- IBFD 2020d [↗](#)

Haven Indicator 7: Patent Boxes ▲



90

This indicator measures whether a jurisdiction offers preferential tax treatment for income related to intellectual property rights (e.g. patent boxes) and whether the Organisation for Economic Co-operation and Development (OECD) nexus approach constraints are applicable to the patent box.

ID 515 — Patent box ▲

Question: Patent Box: Does the jurisdiction offer preferential tax treatment for income related to intellectual property?

Answer: Yes, an exemption or a lower CIT for IP-income is available with OECD nexus constraints.

Notes:

- In Andorra, the current special regime for exploitation of certain intangibles was amended to comply with the OECD's nexus approach (OECD HTP 2020). While the grandfathering rules enable companies that entered the regime earlier to continue benefitting from the old harmful patent box regime until 31 December 2020 (IBFD 2020d), given that grandfathering provision comes to an end before the index publication, we consider the patent box complies with the OECD nexus approach.

Sources:

- IBFD 2020d; 1.7.3. [↗](#)
- OECD HTP 2020 [↗](#)
- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-unitedstateshighlights-2020.pdf?nc=1>
- Deloitte 2020a [↗](#)

Haven Indicator 8: Fictional Interest Deduction 0

This indicator measures whether a jurisdiction offers fictional interest deduction to lower the corporate income tax. Because the deduction is given even though no actual interest was paid, the interest deduction is referred to as "fictional" or "nominal". Fictional interest deduction allows a company with a capital structure with high equity (i.e. mostly financed by issuing shares instead of borrowing money) to deduct a certain sum of fictitious financial costs from its tax base.

ID 516 — Fictional interest deduction ▲

Question: Fictional Interest Deduction: Does the jurisdiction offer a scheme that allows deducting from the corporate income tax base a notional return on equity?

Answer: No

Sources:

- IBFD 2020d [↗](#)
- EU Code of Conduct 2019 [↗](#)

TRANSPARENCY

Haven Indicator 9: Public Company Accounts 100

This indicator considers whether a country requires all available types of company with limited liability (except for small companies) to keep accounts according to the international standard and to file their accounts with a government authority and to make them accessible online for free or at a low cost.

ID 188 — Compliance with international standard on keeping accounting records ▲

Question: *Is there an obligation to keep accounting data?

Answer: No

Notes:

- In 2014, the Global Forum reported that, while "Andorran company and accounting law requires companies to keep accounting records, including underlying documentation, for a minimum of six years" (GF 2014: 52), in practice the availability of these accounting records is in doubt given that: "[...] there is no monitoring of the obligation on companies to keep underlying documentation, such as documents, correspondence, documentation, receipts, invoices and contracts. Article 10 of the Accounting Act empowers the Ministry of Finance to ask persons for the production of accounting records. Nonetheless, the Ministry of Finance has not used this power. [...]" (Ibid: 53-54).
- In 2019, the Global Forum indicated on a deficiency regarding the inactive companies according to which "a notable number of inactive companies that maintain legal personality and do not comply with their filing obligations raises concerns that accounting records might not be available in all cases." (GF 2019: 49). The Global Forum adds that 23.2% of the companies registered with the Companies Register are inactive (ibid.: 48). Moreover, according to the Global Forum: "the availability of accounting records in practice was mainly ensured through the monitoring made by the Companies Register when annual accounts were deposited. However, there was no system in place to monitor the availability of underlying documentation" (ibid.: 48). Given the lack of a monitoring system to ensure the availability of underlying documentation, and the large number of inactive companies that might not comply with their record-keeping obligations, we consider that the requirement to keep accounting records is not sufficient.

Sources:

- GF 2019: 48-52, GF 2014: 52-56 [↗](#)

ID 189 — Submission of annual accounts to a government authority ▲

Question: *Are annual accounts submitted to a public authority?

Answer: Not applicable

Notes:

- While entities operating in the Andorran financial system must submit their accounts to the Companies Register (GF 2019: 51), in the absence of sufficient underlying documentation for all companies (see note above in ID [188]), submission of financial statements cannot be ensured.
- The commercial Register excludes companies with an annual total revenue of less than € 150.000 (Communication with Andorra's Ministry of Finance, 27.12.2019) to submit accounts. While according to the weakest link principle, this could have been another reason for a lack of transparency, the Corporate Tax Haven Index focuses only on large companies.

Sources:

- GF 2019: 48-51 [↗](#)
- GF 2011: 33; GF 2014: 8 [↗](#)
- Communication with Andorra's Ministry of Finance, 27.12.2019. [↗](#)

ID 201 — Online availability of annual accounts / financial statements ▲

Question: *Are annual accounts available on a public online record (up to 10 €/US\$/GBP)?

Answer: Not applicable

Notes:

- The submission of financial statements from all companies cannot be ensured (GF 2019: 49-52). A request for information should be filled on a form which can be found at the company registry (Registre de Societats Mercantils). However, the registry specifies that "Processing departments will respond by phone within approximately 2 days" and "The phone number must be Andorran appropriation. No information is available to any number abroad." (tramits.ad). Furthermore, no information is available regarding the type of documents that can be provided or the cost of receiving them.

Sources:

- <https://www.tramits.ad/societat-i-inversions-estrangeres/285-sol-licitud-d-informacio-als-registres-de-comerc-i-societats>
- http://www.ccis.ad/index.php?option=com_breezingforms&Itemid=296
- GF 2019: 49-52 [↗](#)

Haven Indicator 10: Public Country By Country Reporting (CBCR)  100

This indicator measures whether the companies listed on the stock exchanges or involved in certain sectors (eg extractives) or incorporated in a given jurisdiction are required to publish publicly worldwide financial reporting data on a country-by-country reporting basis.

ID 318 — Public country-by-country reporting standard 

Question: *CBCR: Are companies listed on the national stock exchange or incorporated in the jurisdiction required to comply with a worldwide country-by-country reporting standard?

Answer: No public country-by-country reporting at all.

Sources:

- Email communication with PWYP International, 19.02.2019 & 05.08.2019 [↗](#)
- Meinzer & Trautvetter 2018 [↗](#)
- Freymeyer 2019 [↗](#)
- Email communication with Eurodad, 09.09.2020 [↗](#)

Haven Indicator 11: Robust Local Filing of Country By Country Reporting (CBCR)  100

This indicator assesses whether a jurisdiction, going beyond the OECD standard, ensures its own access to the country-by-country reports of any relevant foreign multinational enterprises with domestic operations. Access is ensured if the jurisdiction requires country-by-country reports to be filed locally by the local subsidiary or branch of a foreign multinational enterprise whenever the jurisdiction does not obtain these reports through the automatic exchange of information for whatever reason.

ID 419 — Robust local filing of country-by-country reporting 

Question: *CBCR: Is there a local filing requirement of a global country-by-country reporting file (according to OECD's BEPS Action 13) by large corporate groups (with a worldwide turnover higher than 750 million Euro) and local subsidiaries of foreign groups?

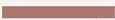
Answer: OECD Legislation: Secondary mechanism is subject to restrictions imposed by OECD model legislation; or no secondary mechanism at all (only the domestic ultimate parent entity has to file the CbCR)

Notes:

- "Andorra has introduced local filing requirements in its draft legislation. No inconsistencies were identified with respect to the limitation on local filing obligation" (OECD CBCR 2018: 22). "No changes were identified with respect to the limitation on local filing obligation" (OECD CBCR 2019: 22). This was confirmed in 2020 (OECD CBCR 2020: 14).

Sources:

- OECD CBCR 2018 [↗](#)
- OECD CBCR 2019 [↗](#)
- OECD CBCR 2020 [↗](#)

Haven Indicator 12: Unilateral Cross-Border Tax Rulings  100

This indicator measures whether and to what extent a country publishes online unilateral cross-border tax rulings; and for countries with extractive industries, whether extractive industries contracts are published.

ID 363 — Tax rulings availability 

Question: *Tax Rulings: Are unilateral cross-border tax rulings (e.g. advance tax rulings, advance tax decisions) available in laws or regulation, or in administrative practice?

Answer: Yes

Notes:

- Andorra can issue the following tax rulings according to the OECD: "(i) preferential regimes; (ii) cross-border unilateral advance pricing arrangements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings" (OECD UTR 2019: 28). Furthermore, "These rulings are referred to as written tax inquiries, special agreements, preferential regime rulings or previous valuation agreements" (OECD UTR 2018: 32).

Sources:

- OECD UTR 2018: 32 [↗](#)
- OECD UTR 2019: 28 [↗](#)

ID 421 — Tax rulings disclosure 

Question: *Tax Rulings: Are all unilateral crossborder tax rulings (e.g. advance tax rulings, advance tax decisions) published online for free, either anonymised or not?

Answer: NONE OR SOME: None or only some of the unilateral crossborder tax rulings are published online.

Notes:

- According to the OECD: "Rulings issued in the form of written inquiries (binding consultations) are published online in anonymised form. Rulings issued in the form of special agreements are published in the Andorran official gazette. [impostos.ad]" (OECD UTR 2019: 27). Indeed, some tax rulings were found online (impostos.ad).

Sources:

- OECD UTR 2018: 32 [↗](#)
- <https://www.impostos.ad/comunicats-tecnics-i-consultes-vinculants>
- OECD UTR 2019: 28 [↗](#)

ID 561 — Mining contracts disclosure in law [▲](#)

Question: *Mining contracts in law: Are all extractive industries mining contracts required by law to be disclosed?

Answer: Not Applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=4>

ID 562 — Mining contracts disclosure in practice [▲](#)

Question: *Mining contracts in practice: Are all extractive industries mining contracts published online in practice?

Answer: Not applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=41>

ID 563 — Petroleum contracts disclosure in law [▲](#)

Question: *Petroleum contracts in law: Are all extractive industries petroleum contracts required by law to be disclosed?

Answer: Not Applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=0>

ID 564 — Petroleum contracts disclosure in practice [▲](#)

Question: *Petroleum contracts in practice: Are all extractive industries petroleum contracts published online in practice?

Answer: Not applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=9>

Haven Indicator 13: Reporting of Tax Avoidance Schemes [▲](#)

100

This indicator assesses two components of mandatory reporting to tackle tax avoidance schemes: (i) the reporting of tax avoidance schemes, in which we assess whether a country requires both taxpayers and tax advisers to report tax avoidance schemes they have used; and (ii) the reporting of uncertain tax positions, in which we assess whether a country requires taxpayers and tax advisers to report uncertain tax positions for which reserves have been created in annual corporate accounts.

ID 403 — Taxpayers' mandatory reporting of tax avoidance schemes [▲](#)

Question: *Taxpayers reporting schemes: Are taxpayers required to report at least annually on certain tax avoidance schemes they have used?

Answer: No.

Sources:

- IBFD 2020d [↗](#)

ID 404 — Tax advisers' mandatory reporting of tax avoidance schemes [▲](#)

Question: *Tax advisers reporting schemes: Are tax advisers (who help companies and individuals to prepare tax returns) required to report at least annually on certain tax avoidance schemes they have sold/marketed (if applicable)?

Answer: No.

Sources:

- IBFD 2020d [↗](#)

ID 405 — Taxpayers' mandatory reporting of uncertain tax positions [▲](#)

Question: *Taxpayers reporting uncertain tax positions: Are taxpayers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts?

Answer: No.

Sources:

- IBFD 2020d [↗](#)

ID 406 — Tax advisers' mandatory reporting of uncertain tax positions [▲](#)

Question: *Tax advisers reporting uncertain tax positions: Are tax advisers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts of the companies they advised?

Answer: No.

Sources:

- IBFD 2020d [↗](#)

Haven Indicator 14: Tax Court Transparency [▲](#)

0

This indicator assesses the openness of a jurisdiction's judicial system in tax matters by analysing the public online availability of verdicts, judgements, and sentences.

ID 409 — Criminal tax courts' publication of decisions ▲

Question: *Is the full text of judgements / verdicts issued by criminal tax courts published online for free, or for a cost of up to 10 €/US\$/GBP??

Answer: Free: Yes, full text of verdicts is always online for free.

Notes:

- Judgments issued by lower courts (Tribunal de courts) and higher courts (Tribunal superior de justícia) are available at the website of the Higher Council of Justice (<http://www.justicia.ad>).

Sources:

- <http://www.justicia.ad/en/jurisprudencia.html>
- Communication with Andorra's Ministry of Finance, 27.12.2019. [↗](#)
- http://www.justicia.ad/en/organitzacio_judicial

ID 410 — Civil tax courts' publication of decisions ▲

Question: *Is the full text of judgements / verdicts issued by civil tax courts published online for free, or for a cost of up to 10 €/US\$/GBP?

Answer: Free: Yes, full text of verdicts is always online for free.

Notes:

- Judgments issued by civil courts are available at the website of the Higher Council of Justice (<http://www.justicia.ad>).

Sources:

- <http://www.justicia.ad/en/jurisprudencia.html>
- Communication with Andorra's Ministry of Finance, 27.12.2019. [↗](#)

ANTI-AVOIDANCE

Haven Indicator 15: Deduction Limitation of Interest Payments ▲

100

This indicator assesses a country's limitations on the deduction of interest expenses from the corporate income tax base. It focuses on limits placed on interest paid to non-resident group affiliates ("intra-group interest payments"), including by means of a fixed ratio rule.

ID 517 — Outbound intra-group interest deduction limitation ▲

Question: Outbound intra-group interest deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base interest paid to non-resident group affiliates?

Answer: NO: No deduction limitation for intra-group interest payments.

Notes:

- In Andorra, there are no fixed ratio rules (IBFD 2020d: 7.3).

Sources:

- IBFD 2020d [↗](#)

ID 518 — Group ratio rule (as part of fixed ratio interest deduction limitation) ▲

Question: Group ratio rule: Does the jurisdiction apply a group ratio rule opt-in alongside fixed ratio limitations on interest deduction?

Answer: Not applicable

Notes:

- Since there are no fixed ratio rules in force in Andorra (IBFD 2020d: 7.3), a group ratio or a worldwide debt-to-equity ratio carve-out is not applicable.

Sources:

- IBFD 2020d [↗](#)

ID 519 — Financial undertaking exclusion (as part of fixed ratio interest deduction limitation) ▲

Question: Financial undertaking exclusion: Does the jurisdiction apply a financial undertaking exclusion alongside fixed ratio limitations on interest deduction?

Answer: Not applicable

Notes:

- Since there is no fixed ratio rule (IBFD 2020d: 7.3), a financial undertaking exclusion is not applicable.

Sources:

- IBFD 2020d [↗](#)

Haven Indicator 16: Deduction Limitation of Royalty Payments ▲

100

This indicator measures whether or to what extent a jurisdiction disallows or restricts the deduction of royalties paid to non-resident group affiliates ("intra-group royalty payments") from the corporate income tax base.

ID 520 — Outbound intra-group royalty deduction limitation ▲

Question: Outbound intra-group royalty deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base royalties paid to non-resident group affiliates?

Answer: NO: No deduction limitation for intra-group royalty payments.

Notes:

- In Andorra, there is no deduction limitation for intra-group royalty payments beyond the arm's length principle (IBFD 2020d: 1.3.3; 7.2).

Sources:

- [IBFD 2020d](#)

Haven Indicator 17: Deduction Limitation of Service Payments ▲  100

This indicator measures whether or to what extent a jurisdiction restricts or disallows the deduction of intra-group services payments (management fees, technical fees, consulting services fees) paid to non-resident group affiliates from the corporate income tax base.

ID 521 — Outbound intra-group services deduction limitation ▲

Question: Outbound intra-group services deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base payments for management, technical, legal or accounting services paid to non-resident group affiliates?

Answer: No, there is no deduction restriction beyond transfer pricing rules, the arm's length principle or other generic rules.

Notes:

- In Andorra, there is no deduction limitation for intra-group service payments beyond the arm's length principle (IBFD 2020d: 1.3.3; 7.2).

Sources:

- [IBFD 2020d](#)

Haven Indicator 18: Withholding Taxes on Dividend Payments ▲  100

This indicator measures the extent to which a jurisdiction levies withholding taxes on outbound dividends. It assesses the lowest available unilateral withholding tax rate on outbound dividend payments.

ID 508 — Dividend-related party payment ▲

Question: Dividend-Related Party Payment: What is the (lowest) applicable unilateral cross-border withholding tax rate for outgoing dividend payments to a related party?

Answer: 0 %

Notes:

- Andorra does not levy withholding tax on dividend payments by resident subsidiaries to non-resident parent companies (IBFD 2020d: 6.3.1).

Sources:

- [IBFD 2020d](#)

Haven Indicator 19: Controlled Foreign Company Rules ▲  100

This indicator assesses whether countries apply robust non-transactional controlled foreign company (CFC) rules. CFC rules are a type of specific anti-avoidance rules that target particular taxpayers or transactions. Like other types of specific anti-avoidance rules, CFC rules are more effective than general anti-avoidance rules in capturing the specific type of tax avoidance on which they focus.

ID 522 — Controlled Foreign Company (CFC) rules ▲

Question: CFC-Rules: Does the jurisdiction apply robust non-transactional CFC rules?

Answer: NONE: No, there are no CFC rules whatsoever.

Notes:

- There are no CFC rules in Andorra (IBFD 2020d: 7.4).

Sources:

- [IBFD 2020d](#)

DOUBLE TAX TREATY AGGRESSIVENESSHaven Indicator 20: Treaty Aggressiveness ▲  5

This indicator analyses the aggressiveness of a jurisdiction in their double tax agreements with other countries, as revealed by the withholding tax rates that apply to the payment of dividends, interests and royalties.

ID 571 — Aggregate tax treaty aggressiveness ▲

Question: Aggregate-Aggressiveness: What is the scaled value of all negative differentials between the assessed jurisdiction's treaty withholding rates on all three payment types (dividend, interest and royalty) and those of its treaty partner jurisdiction.

Answer: 4.92447083746254

Global Scale Weight breakdown 0.002%**Inward foreign direct investment (US\$)**

\$ 1,123,192,786

Outward foreign direct investment (US\$)

\$ 1,209,375,408

Sum of inward and outward foreign direct investment (US\$)

\$ 2,332,568,194

Global total of sum of inward and outward foreign direct investment (US\$)

\$ 94,690,323,833,261

Global scale weight (share of jurisdiction's inward and outward foreign direct investment on the global total)

0.00246%