

Information on Niue's Repeal of Offshore Company Formation Laws

And Compliance with Taxation Sharing Agreements

NIUE NO LONGER A SECRECY HAVEN

In 1994 Niue enacted a series of Acts designed to promote Niue as an offshore financial centre. These Acts were: The International Banking Act (1997), and the International Business Companies Act (1994).

In 2006, recognising the reality that most, if not all, companies provided by secrecy havens are used to facilitate unlawful or undesirable activity of some kind, such as tax evasion, corruption, fraud, money laundering and avoidance of sanctions, Niue repealed all of these Acts and closed the International Business Companies Registry and International Banking registry and in so doing shut down the offshore sector and ceased activities as a secrecy haven.

A comprehensive list of current legislation for Niue can be found at the Pacific Islands Legal Information Institute (Paclii) <http://www.paclii.org/countries/nu.html> and at the Niue Government website <http://www.gov.nu/wb/pages/legislation.php>.

From having almost 10,000 International Business Companies in 2006 Niue now has none. While clearly reducing valuable foreign currency income this action demonstrated an understanding of the harm facilitated by these types of 'legal' structures. That such harm occurs out of sight of those in the secrecy jurisdiction - often in developing countries that can least afford the cost of corruption, tax evasion and capital flight - the fact that the victims are resident in foreign countries in no way absolves those who facilitate the offending.

Since 2006 Niue has worked hard to be an exemplar, not only to other small island states, but also other secrecy jurisdictions that are still in existence around the world.

The damage to Niue's reputation from the involvement in this industry remains to this day. More than 10 years after repealing the legislation and shutting down the offshore sector, Niue still routinely features when tax havens or secrecy havens are mentioned. Niue is now working toward ensuring that the international community is aware that Niue has comprehensively addressed this issue. Every effort is now being applied to ensuring that Niue is not only open and transparent in its dealings with other countries but will actively assist and where possible, pro-actively provide information to other jurisdictions on suspected tax evasion and money laundering, terrorist financing and the financing of weapons of mass destruction.

Today Niue is party to 8 bilateral tax exchange agreements as well as the Global Forum on Transparency and Exchange of Information for Tax Purposes having signed the Multilateral Convention in late 2015. In as much as a country of 1,700 people can be, Niue is a leader in the field of tax transparency, and is about to implement the new global standard on the automatic exchange of taxation information.

More broadly, Niue joined the Asia Pacific Group on Money Laundering in 2001 and was last evaluated for compliance with the 40 (or 40+9 as they were then) recommendations on anti-money

laundering and counter terrorist financing in 2012. The results of this evaluation can be located at: <http://www.apgml.org/mutual-evaluations/documents/default.aspx?pcPage=3>.

The government and people of Niue welcome enquires in relation to this issue. The head of the Crown Law Office and Niue Financial Intelligence Unit can be contacted on the following email address: Niue.Fiu@mail.gov.nu.