

TAX TREATY WITH SPAIN OPENS UP NEW MARKET FOR LUXEMBOURG

On 10 November 2009, on the sidelines of the Ecofin meeting in Brussels, Luxembourg Minister of Finance Luc Frieden and his Spanish opposite Elena Salgado Mendez, who will take over presidency of Ecofin from 1st January 2010, signed a protocol amending the double tax treaty between the two countries. The objective of the protocol was to include the exchange of information in specific cases in compliance with the OECD model tax convention.

This agreement is very important for the development of international business by the financial centre, most notably in the investment fund sphere: Luxembourg will no longer appear on a list of countries defined as tax havens in a Spanish Royal Decree.

Since the G20 meeting in April 2009, when Luxembourg agreed to apply the OECD standard for the



exchange of information on demand in tax matters, Mr Frieden has signed 20 agreements of this type of which 14 are with OECD member states.