



SAINT KITTS AND NEVIS
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

The Federation of Saint Kitts and Nevis (St. Kitts and Nevis) remains one of the fastest growing economies in the Eastern Caribbean with a Gross Domestic Product (GDP) of USD 689.6 million. Saint Kitts and Nevis is a member of the Organization of Eastern Caribbean States (OECS) and the Eastern Caribbean Currency Union (ECCU). According to the Eastern Caribbean Central Bank (ECCB), Saint Kitts and Nevis is projected to grow by 3.5 percent in 2015 and its outlook remains stable. Income from the citizenship by investment program, construction sector, and tourism has helped the economy to reduce its indebtedness and economically recover after four years of stagnant economic growth. The current administration has signaled their commitment to undertake a new way of doing business in the Federation to attract new investments into the twin island state. Saint Kitts and Nevis is ranked 121st in the World Bank's Doing Business report for 2015.

The Government of Saint Kitts and Nevis strongly encourages foreign direct investment (FDI). Saint Kitts and Nevis' policy is to attract FDI into the priority sectors as identified under the National Diversification Strategy. These include financial services, tourism, real estate, construction, agriculture, information technology, education services and light manufacturing.

The government has instituted a number of investment incentives for businesses considering the possibility of locating in Saint Kitts or Nevis, encouraging both domestic and foreign private investment.

Companies registered in Saint Kitts and Nevis have the right to repatriate all capital, royalties, dividends and profits free of all government taxes or any other charges on foreign exchange transactions but a Withholding Tax would apply. There are no exchange controls in Nevis and the invoicing of foreign trade transactions may be made in any currency.

Saint Kitts and Nevis uses eminent domain laws that allow the government to expropriate private property for the betterment of the public. Currently, U.S. Embassy Bridgetown is aware of one outstanding case involving the seizure of private land by the Government of St. Kitts and Nevis. The case has been ongoing for years and involves a large multi-unit real estate project affecting more than 10 American citizens. While there has recently been some positive movement in this case, the American citizens are still awaiting compensation. U.S. Embassy Bridgetown continues to recommend caution when investing in real estate or conducting business in Saint Kitts and Nevis.

Saint Kitts and Nevis uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety. Saint Kitts and Nevis' monetary and exchange rate policies are determined by the ECCB. The ECCB regulates domestic banks in Saint Kitts and Nevis. Exchange controls restrictions on capital and non-trade current transactions have been suspended under the Exchange Control Act.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Saint Kitts and Nevis strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens. Saint Kitts and Nevis is home to the ECCB, the Eastern Caribbean Securities Exchange and the Eastern Caribbean Securities Regulatory Commission.

Saint Kitts and Nevis bases its legal system on the British common law system. The Constitution of Saint Kitts and Nevis guarantees constitutional independence of the judiciary.

The government has instituted a number of investment incentives for businesses considering the possibility of locating in Saint Kitts and Nevis, encouraging both domestic and foreign private investment. Government policies provide liberal tax holidays, duty-free import of equipment and materials, and subsidies for training provided to local personnel. Foreign investors may also hold up to 100 percent of an investment.

Deregulations in the telecommunications industry have facilitated market access to new competitors, though historically the industry was monopolized. There are currently three service providers: Cable and Wireless (Lime), Digicel, and Cable Communications (The Cable). Caribbean Cable Communications (Nevis) Limited, which only operates in Nevis, was acquired by Digicel in 2013.

Other Investment Policy Reviews

In 2014 the OECS, of which Saint Kitts and Nevis is a member, conducted an investment policy review through the World Trade Organization. This report, which speaks to the general investment climate in Saint Kitts and Nevis, can be found at: https://www.wto.org/english/tratop_e/tpr_e/s299-00_e.pdf.

Laws/Regulations of Foreign Direct Investment

All investment proposals applying for government incentives are reviewed by the Saint Kitts Investment Promotion Agency (SKIPA) to ensure that the project is consistent with the national interests and provides economic benefits to the country. Saint Kitts and Nevis' foreign direct investment policy is to attract foreign direct investment (FDI) into the priority sectors as identified under the National Diversification Strategy. These include financial services, tourism, real estate, agriculture, information technology, education services and limited light manufacturing. However, investment opportunities also exist in energy and other services. The main laws concerning foreign investment include the Fiscal Incentive Act, the Tourism Incentive Act and the Companies Act.

While officially all sectors are open to attracting FDI, certain sectors, such as taxi and tour operators and tour guides, are sometimes reserved for local investors. Additionally, potential investors are cautioned that Saint Kitts' actual level of openness to foreign investment is limited by local expropriation practices, which could put investments at risk.

SKIPA has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors. This can be found at: www.investstkitts.kn.

Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital. There is no general limit on the amount of foreign ownership or control in the establishment of a business.

Industrial Promotion

SKIPA is the investment promotion arm of the government with identified key industries to attract investment into the country.

Limits on Foreign Control

There are no limits on foreign control in Saint Kitts and Nevis.

Privatization Program

Saint Kitts and Nevis currently does not have a targeted program of privatization.

Screening of FDI

SKIPA has the authority to offer guidance and direction to new and established investors who are interested in pursuing investment opportunities in Saint Kitts and Nevis. The process is transparent and is contingent on the size of capital investment and the economic impact that it will have on the country.

To attain small business status as a foreign investor, the applicant must submit:

- Incorporate the company with Saint Kitts Financial Services
- Apply for a Business & Occupations License (Facilitated by SKIPA)
- Register with Inland Revenue as a tax payer
- Register with the Saint Christopher Social Security Board as an employer
- Apply for an Alien Landholding License (foreigners owning shares in an ordinary company or foreigners serving as directors of an ordinary company)
- Submit Proposals for Review (SKIPA)
- Apply for Incentives
- Apply for Work Permits

Citizenship through Investment

Under the Citizenship by Investment Program, foreign individuals can obtain citizenship in accordance with subsection (5) of Section 3 of the Citizenship Act of 1984, which grants the right of citizenship (without voting rights) by investment. Applicants through the program are required to go through a due diligence process before citizenship can be granted. The minimum that would entitle an investor to qualify is USD 400,000 in real estate, or a USD 250,000

contribution to the Sugar Industry Diversification Foundation. Applicants must also provide a full medical certificate and evidence of the source of funds.

Competition Law

Chapter 8 of the Revised Treaty of Chaguaramas provides the competition policy applicable to the Caribbean Community (CARICOM) States. Member States are required to establish and maintain a national competition authority for facilitating the implementation of the rules of competition. At the CARICOM level, a regional Competition Commission is established to apply the rules of competition in respect of anti-competitive cross-border business conduct. The CARICOM competition policy addresses anti-competitive business conduct, such as agreements between enterprises, decisions by associations of enterprises, and concerted practices by enterprises that have as their object or effect the prevention, restriction or distortion of competition within the Community; and actions by which an enterprise abuses its dominant position within the Community. No legislation is yet in operation to regulate competition in Saint Kitts and Nevis. The OECS has agreed to establish a regional competition body to handle competition matters within its single market. The draft OECS bill has been submitted to the Ministry of Legal Affairs for review.

Investment Trends

Saint Kitts and Nevis' economy remains buoyant with a firm commitment to attracting foreign direct investments in critical niche areas. The country is ranked in 121st in the World Bank's ease of Doing Business Report for 2015. The report cites low rankings in each of the areas addressed; highlighting that the drop in the rank for dealing with construction permits makes it more difficult to do business.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	Not ranked	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	121 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	N/A	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 13,890	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Saint Kitts and Nevis is a member of the ECCU and the ECCB. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the OECS, the Federation of Saint Kitts and Nevis has a foreign exchange system that is fully liberalized. The Eastern Caribbean Dollar has been pegged to the United States dollar at a rate of XCD 2.70: USD 1 since 1976. As a result, the Eastern Caribbean Dollar does not fluctuate; creating stable currency environment for trade and investment in the Federation of Saint Kitts and Nevis.

Remittance Policies

Companies registered in the Federation of Saint Kitts and Nevis have the right to repatriate all capital, royalties, dividends and profits free of all government taxes or any other charges on foreign exchange transactions. There are no exchange controls in Nevis and the invoicing of foreign trade transactions may be made in any currency. Importers are not required to make prior deposits in local funds and export proceeds do not have to be surrendered to government authorities or to authorized banks. Saint Kitts and Nevis is also a member of the Caribbean Financial Action Task Force (CFATF).

3. Expropriation and Compensation

Saint Kitts and Nevis uses eminent domain laws that allow the government to expropriate private property for the betterment of the public; the government is required to compensate owners. There are also laws that permit the acquisition of private business, and the government claims such laws are constitutional. The concept of eminent domain and the expropriation of private property is typically governed by laws that require governments to adequately compensate owners of the expropriated property at the time of its expropriation or soon thereafter. In some cases, the procedure for compensation of owners favors the government valuation at the expense of the owner.

Currently the United States Embassy in Bridgetown is aware of one outstanding case involving the seizure of private land by the Government of St. Kitts and Nevis. The case has been ongoing for years and involves a large multi-unit real estate project affecting more than 10 American citizens. While there has recently been some positive movement in this case, the American citizens are still awaiting compensation. In practice, the previous government of Saint Kitts and Nevis often did not pay compensation for private property expropriated under its eminent domain laws. In at least two cases the government partially paid the victims, but only after years of litigation and with some aspects still outstanding and in dispute. For these reasons, the U.S. Embassy in Bridgetown continues to recommend caution when investing in real estate or conducting business in Saint Kitts and Nevis.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Saint Kitts and Nevis bases its legal system on the British common law system. The Constitution guarantees constitutional independence of the judiciary. The judicial system consists of lower courts, called Magistrates' Courts, as well as a Family Court. The Eastern Caribbean Supreme Court (Saint Kitts and Nevis) Act, establishes the Supreme Court of Judicature which consists of the High Court and the Eastern Caribbean Court of Appeal. The High Court hears criminal and civil matters and makes determinations on the interpretation of the Constitution. Appeals are made in the first instance to the Eastern Caribbean Supreme Court, an itinerant court that hears appeals from all Eastern Caribbean States. Final appeal is to the Judicial Committee of the Privy Council.

The Caribbean Court of Justice (CCJ) is the regional judicial tribunal, established in 2001 by the Agreement Establishing the Caribbean Court of Justice. The CCJ has original jurisdiction to interpret and apply the Revised Treaty of Chaguaramas. In its appellate jurisdiction, the CCJ considers and determines appeals from Member States of the Caribbean Community and Common Market (CARICOM), which are parties to the Agreement Establishing the CCJ. Saint Kitts and Nevis is subject to the original jurisdiction of the CCJ.

The United States and Saint Kitts and Nevis are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes.

Bankruptcy

The Federation of Saint Kitts and Nevis has a bankruptcy framework that allows for certain actions by both the debtor and the creditor. The World Bank's Doing Business Report addressed some limitations in resolving insolvency in the Federation of Saint Kitts and Nevis. The Federation of Saint Kitts and Nevis is ranked at 189th based on the particular area.

Investment Disputes

Not applicable

International Arbitration

The Eastern Caribbean Supreme Court is the domestic arbitration body within the Federation of Saint Kitts and Nevis and the local courts do recognize and enforce foreign arbitral awards.

ICSID Convention and New York Convention

The Federation of Saint Kitts and Nevis is a member of the International Center for Settlement of Investment Disputes, however it is not a member of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards; also known as the New York Arbitration Convention.

Duration of Dispute Resolution

According to the Doing Business Report 2015, dispute resolution generally took 578 days. However, this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. The Doing Business Report also ranked Saint Kitts and Nevis 116 out of 189 in resolving contracts.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

As a member of the World Trade Organization, Saint Kitts and Nevis is party to the Agreement on Trade Related Investment Measures. While there are no formal performance requirements, government officials encourage investments they believe will create jobs and increase exports and foreign exchange earnings. There are no requirements for participation either by nationals or by the government in foreign investment projects.

There is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Foreign investors may hold up to 100 percent of an investment. Except for the requirement to obtain an Alien Landholders License (see below), foreign investment in Saint Kitts and Nevis is not subject to any restrictions, and foreign investors receive national treatment.

Investment Incentives

In an effort to increase investment, Saint Kitts and Nevis has implemented a series of investment incentives. The Fiscal Incentives Acts provides a list of incentives including tax holiday of up to 15 years; additional tax rebates of up to five years; exemption from custom duties on material and equipment deemed necessary to establish or update an enterprise; repatriation of profits, dividends, royalties, and imported capital by arrangement with the Ministry of Finance; protection of investment through government agreement between Saint Kitts and Nevis and the United States and no personal income tax. Under the Fiscal Incentives Act, four types of enterprises qualify for tax holidays. The length of the tax holiday for the first three depends on the amount of value added in Saint Kitts and Nevis. The fourth type, known as enclave industry, must produce goods exclusively for export outside the CARICOM region.

Enterprise	Value Added	Maximum Tax Holiday
Group I	50% or more	15 years
Group II	25% to 50 %	12 years
Group III	10% to 25%	10 years
Enclave	Enclave	15 years

Companies which qualify for tax holidays are allowed to import into Saint Kitts and Nevis duty-free all equipment, machinery, spare parts and raw materials used in production.

The Hotel Aids Act provides relief from customs duties on items brought into the country for use in construction, extension and equipping of a hotel of not less than ten bedrooms. In addition, the

Income Tax Act provides special tax relief benefits for hotels of more than 30 bedrooms. These hotels are exempt from income tax for ten years. If the hotel contains fewer than 30 bedrooms, gains or profits would be exempt from income tax for five years.

The hotel and restaurant tax is levied on the total accommodation charges of a hotel or guest house and on the cost of food and beverage sold by a restaurant. The total rate of tax is 12 percent (with 2 percent contributing to the Hotel and Accommodation Enhancement Levy). This tax is levied on the total accommodation.

Corporate Income Tax

Additionally, those who invest in Saint Kitts and Nevis do not pay capital gains tax, and have a corporate tax of 33 percent of net profits. Qualified companies enjoy full exemption from taxes on corporate profits for a period not exceeding 15 years. Corporate tax does not apply to exempt companies or to enterprises that have been granted tax concession. There is no personal income tax. Saint Kitts and Nevis provides companies with a further tax concession effective at the end of the tax holiday period.

Individuals and ordinary companies remitting payments to persons outside of Saint Kitts and Nevis must deduct 10 percent withholding tax from profits, administration, management or head office expenses, technical services fees, accounting and audit expenses, royalties, non-life insurance premiums; and rent.

Withholding tax applies to all profits of enterprises that fall under the Fiscal Incentives Act. This tax does not apply to exempt trusts, limited partnerships, companies or foundations. However, approval to remit funds without paying withholding tax is at the discretion of the Cabinet that fall outside of the exemptions. Unincorporated business tax is levied on the gross revenue of services provided by professionals such as doctors, lawyers, dentists, and other specified persons listed in the Schedule to the Consumption Tax Act at a rate of 4 percent.

Exemption from Import Duties

Full exemption from import duties on parts, raw materials, and production machinery is also available.

Research and Development

Saint Kitts and Nevis does not currently have a government financed or subsidized research and development program.

Performance Requirements

The Federation of Saint Kitts and Nevis does not mandate local employment. The provisions of the Labor Code outline the requirements for acquiring a work permit and prohibit anyone who is not a citizen of Saint Kitts and Nevis (and the OECS) to engage in employment unless they have obtained a work permit. There is a practice, where work permits are granted to senior management because no qualified nationals are available for the post, to recommend from among

citizens of the country, a counterparty trainee. There are no excessively onerous visa, residency or work permit requirements.

Data Storage

There are no requirements for foreign IT providers to turn over source code and/or provide access to surveillance (backdoors into hardware and software turn over keys for encryption, etc.).

6. Right to Private Ownership and Establishment

Foreign investors may hold up to 100 percent of an investment. With one exception, foreign investment in Saint Kitts and Nevis is not subject to any restrictions, and foreign investors receive national treatment. The only restriction is the requirement to obtain an Alien Landholders License for foreign investors seeking to purchase property for residential or commercial purposes.

7. Protection of Property Rights

Real Property

Civil law protects physical property and mortgage claims. The only restriction is the requirement to obtain an Alien Landholders License for foreign investors seeking to purchase property for residential or commercial purposes. The cost of these licenses is 10 percent of the value of the land or of the interest in the real estate to be purchased. Licenses are granted once properly submitted to Cabinet for consideration and payment of the license fees. Foreign investors do not require a landholding license for the purchase of land in certain parts of the island, such as Frigate Bay or the South East Peninsula.

Intellectual Property Rights

Saint Kitts and Nevis has a legislative framework regarding its commitment to the protection of intellectual property rights. While the legal structures governing intellectual property could be considered as strong, enforcement has been viewed as generally weak. The administration of intellectual property laws in Saint Kitts and Nevis are under the responsibility of the Ministry of Justice and Legal Affairs. The registration of patents, trademarks, and service marks is administered by the Intellectual Property Office.

Saint Kitts and Nevis is signatory to the Paris Convention for the Protection of Industrial Property (1883) [17 March 2003]; the Patent Cooperation Treaty (PCT) (1970) [17 March 2003]; and the Berne Convention for the Protection of Literary and Artistic Works (1886) [17 March 2003]. The Federation of Saint Kitts and Nevis is also a member of the United Nations World Intellectual Property Organization (WIPO).

Article 66 of the Revised Treaty of Chaguaramas (2001) establishing the Caribbean Single Market and Economy commits all 15 members to implement stronger Intellectual Property protection and enforcement. The Economic Partnership Agreement (EPA) which was signed between the CARIFORUM States and the European Community in 2008 contains the most

detailed obligations in respect of Intellectual Property in any trade agreement to which Federation of Saint Kitts and Nevis is a party. The EPA gives recognition to the protection and enforcement of intellectual property. Article 139 of the EPA requires parties to “ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties and of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS).”

Saint Kitts and Nevis Customs can seize prohibited or counterfeit goods however it is a matter of the courts to make the determination on the destruction of the goods. Seized items are usually handed over to the police to be used as evidence during any court matters. Saint Kitts and Nevis are in the process of reviewing the existing laws in relation to the importation of counterfeit and prohibited goods.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at <http://www.wipo.int/directory/en/>.

Resources for Rights Holders

Contact at Mission:

U.S. Embassy Barbados, the Eastern Caribbean and the Organization of Eastern Caribbean States (OECS)

Name: Michael Carver

Title: Economic/Commercial Officer

Telephone: (246) 227-4274

Email address: Carver MJ@state.gov

Country/Economy Resources

American Chamber of Commerce for Barbados and the Eastern Caribbean

Name: Dustin Delany

Title: Chairman

Telephone: (246) 228-2260

Email: dd@amchambec.com

Local attorneys list: http://barbados.usembassy.gov/st_kitts_nevis_attorneys.html

8. Transparency of the Regulatory System

Saint Kitts and Nevis uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety.

Additionally, the incorporation and registration of companies in the federation differs somewhat on its two constituent islands. In Saint Kitts, the process is regulated by the Companies Act Cap 21.03. The incorporation of companies in Nevis is regulated by the Nevis Island Business Corporation Ordinance No. 3 of 1984. Companies must register in the Companies Registry. There are no nationality restrictions for directors in a company, and in general, national treatment is applied. All registered companies must have a registered office in Saint Kitts and Nevis.

9. Efficient Capital Markets and Portfolio Investment

As a member of the OECS, Saint Kitts and Nevis is a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market. The ECSE is a regional securities market established by the Eastern Caribbean Central Bank and licensed under the Securities Act of 2001, a uniform regional body of legislation governing securities market activities to facilitate the buying and selling of financial products for the eight member territories. The number of equities listed is 13 while the number of debt securities listed is 90. Market capitalization stood at USD 4.3 billion. Saint Kitts and Nevis is a member of this stock exchange, and is open to portfolio investment.

Money and Banking System, Hostile Takeovers

As a member of the OECS and the Eastern Caribbean Currency Union, the ECCB has financial oversight of Saint Kitts and Nevis, controlling its monetary and exchange rate policies. The ECCB controls the currencies of several island states including Saint Kitts and Nevis. The ECCB also regulates domestic banks. Exchange controls and restrictions on capital and non-trade current transactions have been suspended under the Exchange Control Act.

According to the most recent data available from the government, assets of commercial banks totaled USD 2.4 billion in December 2014, and remained relatively consistent throughout the year. The reserve requirement for commercial banks was 6 percent of deposit liabilities.

10. Competition from State-Owned Enterprises

Statutory corporations or state-owned enterprises in Saint Kitts and Nevis include the National Social Security Board and the Saint Kitts Nevis-Anguilla National Bank. These companies do not generally pose a threat to investors, as they are not designed for competition. They support government programs such as the national pension plan and assist the government in achieving developmental goals.

OECD Guidelines on Corporate Governance of SOEs

While Saint Kitts and Nevis recognizes the Organization of Economic Cooperation and Development (OECD) guidelines, SOEs in Saint Kitts and Nevis are not found in the key areas earmarked for investment.

Sovereign Wealth Funds

As a member of the OECS, Saint Kitts and Nevis is a member of the Eastern Caribbean Securities Regulatory Commission and the Regional Government Securities Market. The ECSE is a regional securities market established by the ECCB and it facilitates the buying and selling of financial products for the eight member territories.

11. Corporate Social Responsibility

In Saint Kitts and Nevis, there is an awareness of corporate social responsibility (CSR) among both producers and consumers. The private sector is involved in projects that benefit society, including in support of environmental, social and cultural causes. Individuals benefit from business sponsored initiatives when local and foreign owned enterprises pursue volunteer opportunities and make monetary or in kind donations to local causes. For more information on U.S. government policies on issues of corporate social responsibility, posts are encouraged to review and disseminate the U.S. Government Approach on Business and Human Rights, released in May 2013 (the Approach can be found here: <http://www.humanrights.gov/2013/05/01/u-s-government-approach-on-business-and-human-rights/>).

OECD Guidelines for Multinational Enterprises

The NGO community, while comparatively small, is involved in fundraising and volunteerism in gender, health, environmental and community projects. The government at times partners with non-governmental organizations (NGO) in activities. The government encourages philanthropy.

12. Political Violence

Saint Kitts and Nevis does not have a history of political violence.

13. Corruption

While corruption related to foreign business and investment is not generally believed to be a major problem in Saint Kitts and Nevis, there have been some widely publicized allegations against former government officials.

Saint Kitts and Nevis has laws, regulations and penalties to combat corruption, although enforcement is not always effective. Government agencies involved in enforcement of anti-corruption laws include the Royal Saint Kitts and Nevis Police Force, the Director of Public Prosecutions, and the Financial Intelligence Unit.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

While Saint Kitts and Nevis is not party to the UN Anticorruption Convention, it is a party to the Inter-American Convention against Corruption.

Resources to Report Corruption

Information not available.

14. Bilateral Investment Agreements

Saint Kitts and Nevis has no bilateral investment treaty with the United States. Saint Kitts and Nevis has a bilateral investment treaty with Costa Rica, and partial preferential agreements with

Guyana and Brazil. The country has non-reciprocal agreements with Columbia and Venezuela. It has free trade agreements with Costa Rica and the Dominican Republic.

Saint Kitts and Nevis is also party to the following:

Caribbean Community (CARICOM)

The Treaty of Chaguaramas established CARICOM in 1973. Its purpose is to promote economic integration among its fifteen (15) Member States. Investors operating in St. Kitts and Nevis are given preferential access to the entire CARICOM market. The Revised Treaty of Chaguaramas goes further to establish the CARICOM Single Market and Economy (CSME), by permitting the free movement of goods, capital and labor within CARICOM States.

Organization of Eastern Caribbean States (OECS)

The Revised Treaty of Basseterre establishes the Organization of Eastern Caribbean States (OECS). The OECS consists of seven full Member States: Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts & Nevis, Saint Lucia and Saint Vincent & the Grenadines; and three associate members: Anguilla, Martinique and the British Virgin Islands. Martinique joined as an associate member in February 2015. The purpose of the Treaty is to promote harmonization among Member States in areas concerning foreign policy, defense and security, and economic affairs. The seven independent countries of the OECS ratified the Revised Treaty of Basseterre establishing the OECS Economic Union on January 21, 2011. The Economic Union established a single financial and economic space within which all factors of production, including goods, services and people, move without hindrance.

Economic Partnership Agreement (EPA)

The Economic Partnership Agreement (EPA) was concluded between the CARIFORUM States and the European Community and its Member States in 2008. The EPA is designed to replace the now expired transitional trade regime of the Cotonou Agreement. The overarching objectives of the EPA are to alleviate poverty in CARIFORUM, to promote regional integration and economic cooperation and to foster the gradual integration of the CARIFORUM states into the world economy by improving their trade capacity and creating an investment-conducive environment. The Agreement promotes trade related developments in areas such as competition, intellectual property, and public procurement, the environment and protection of personal data.

Caribbean Basin Initiative (CBI)

The objective of the Caribbean Basin Initiative is to promote economic development through private sector initiative in Central America and the Caribbean islands by expanding foreign and domestic investment in non-traditional sectors, diversifying CBI country economies and expanding their exports. It permits duty free entry of products manufactured or assembled in Saint Kitts and Nevis into markets of the United States. Saint Kitts and Nevis is the largest exporter under this regime in the Eastern Caribbean.

Caribbean / Canada Trade Agreement (CARIBCAN)

CARIBCAN is an economic and trade development assistance program for Commonwealth Caribbean countries in which Canada provides duty free access to its national market for the majority of products which originate in Commonwealth Caribbean countries.

Bilateral Taxation Treaties

St. Kitts and Nevis does not have a bilateral taxation treaty with the United States. It has double taxation agreements with Denmark, Norway, Sweden, and the United Kingdom.

15. OPIC and Other Investment Insurance Programs

OPIC provides financing and political risk insurance to viable private sector projects, helps U.S. businesses invest overseas, and fosters economic development in new and emerging markets.

16. Labor

Saint Kitts and Nevis has a labor force of about 25,000 persons, with a literacy rate of 98 percent. The country's technical and training needs are met largely by local colleges, which offer courses in skilled labor, including, plumbing, electrical engineering, air conditioning and refrigeration, masonry, carpentry, mechanical engineering, motor mechanics, typing and basic hotel skills. There is also a large pool of professionals to draw from, in fields such as law, medicine, business information technology and accounting. Many of the professionals in Saint Kitts and Nevis trained in the Caribbean, the United States, Canada and the United Kingdom, where many of them gained work experience before returning to Saint Kitts and Nevis.

The government set the minimum wage at USD 2.96 an hour. The law provides for a 40-hour workweek and for premium pay for work above the standard workweek. There was no legal prohibition on excessive or compulsory overtime. The law also calls for paid holidays and rest days at double the rate, as well as equal pay for equal work.

Labor unions are free to organize and to negotiate for better wages and benefits for union members. The law prohibits anti-union discrimination, but does not require employers found guilty of such action to rehire employees who were fired for union activities. However, the employer must pay lost wages and severance pay. There is no legislation governing the organization and representation of workers, and employers are not legally bound to recognize a union, but in practice employers do so if a majority of workers polled wish to organize.

Collective bargaining takes place on a workplace-by-workplace basis, not industry wide. The Labor Commissioner mediates all types of disputes between labor and management on an ad hoc basis. However, in practice few disputes actually go to the Commissioner for resolution. If neither the Commissioner nor the Ministry of Labor is able to resolve the dispute, the law allows for a case to be brought before a civil court.

Investors in Saint Kitts and Nevis are responsible for maintaining workers' rights and safeguarding the environment. While there are no specific health and safety regulations, the

Factories Act provides general health and safety guidance to Labor Ministry inspectors. The Labor Commission settles disputes over safety conditions. Workers have the right to report unsafe work environments without jeopardy to continued employment; inspectors then investigate such claims, and workers may leave such locations without jeopardy to their continued employment.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

There are no foreign trade zones or free ports in Saint Kitts and Nevis. However, there are four fully developed industrial sites where production facilities can be constructed to specification and leased at nominal rates. Kittitian officials project that factory space will increase annually by 15,000 sq. ft. in Saint Kitts and 5,000 sq. ft. in Nevis. The sites are managed and serviced on behalf of the Government by the Development Bank of Saint Kitts and Nevis.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	648	2013	765	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	2013	5	http://bea.gov/international/factsheet/factsheet.cfm?Area=267
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2013	-1	http://bea.gov/international/factsheet/factsheet.cfm?Area=267
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	

*Eastern Caribbean Central Bank Statistics: <http://www.eccb-centralbank.org/Statistics>

Table 3: Sources and Destination of FDI

Information not available.

Table 4: Sources of Portfolio Investment

Information not available.

19. Contact for More Information

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