



Principality of

Andorra

FACTS

Discover Andorra

Location: The Principality of Andorra is in southwest Europe on the Mediterranean slope of the eastern Pyrenees between two European Union member states, France and Spain.

Geographical, climate, population...

The total area of the country is 468 km². The highest point is the peak of Coma Pedrosa at 2,942 m, and the lowest point is the frontier post with Catalonia, at 838 m. As a specific characteristic one should note the geographic division of the territory into a Y shape which forms three distinct large valleys, natural channels for the waters of the country's three main rivers: the Northern Valira and the Eastern Valira which after a course of respectively 14 and 23 km join in the south in the parish of Escaldes-Engordany to form the Great Valira (11.6 km). Andorra has the mountainous and abrupt relief typical of high mountain areas.

The lands of the Principality of Andorra are organised in seven administrative and territorial divisions known as „parishes“: Canillo, Encamp, Andorra la Vella, Ordino, la Massana, Sant Julià de Lòria i Escaldes-Engordany. The parishes are managed by the communes.

The climate is dry high mountain type with Mediterranean influences, winter temperatures are low and in summer they are mild, with large variations taking place according to altitude and orientation.

Andorra has a population of 76,875 (Data from 2004).

The population is concentrated in the two big towns of Andorra la Vella and Escaldes-Engordany, which are, with Pas de la Casa, the main centres of trade and business in the country. Other centres of secondary importance in numbers of inhabitants are Encamp and Sant Julià de Lòria, which are centres of population but much less commercial than the capital and its surroundings.

The average age of the population is 36 years and the high rate of immigration since the second half of the 20th century is the cause of the varied origin of Andorran society, in which only 35.7% have Andorran nationality. In Andorra, then, we find a very unusual situation in matters of nationality: the largest population group in Andorra is of foreign nationality, Spanish, representing 37.4% of the total population. People with Portuguese nationality come in third place (13%), overtaking those of French origin (6.6%) some years ago, and finally there is a varied group of over 17 different nationalities.

Since the approval in 1995 of a law less restrictive over access to Andorran nationality, the percentage of Andorran nationals is showing a tendency to recovery.

Catalan is the official language and the only one used in administrative and official affairs. In the street, however, Spanish is widely spoken, followed by French and Portuguese.

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History and culture

Legend tells that Charlemagne founded Andorra in 805 in recognition of aid given by its inhabitants against the Saracens.

The earliest document known that mentions Andorra is the act of consecration of the cathedral of Santa Maria of Urgell in 839, which mentions the parishes (administrative and territorial divisions) of Andorra as the fief of the Counts of Urgell.

Between the 9th and 10th centuries, the Andorran valleys belonged to the counts of Urgell, who ceded them to the See of Urgell in 988 in exchange for other possessions in the Cerdanya, although it was not until the 12th century that Andorrans recognised the sovereignty of the See of Urgell in an agreement signed with the bishop Bernat Sanç in 1176.

A period of struggle for sovereignty over the Andorran valleys began, particularly with the counts of Urgell, which caused the bishops to call on the closest nobles for aid and protection. As a result of their cooperation with the bishop, the House of Caboet received the valleys of Andorra in fief.

Through the marriages of various generations, the house of Caboet became linked with the houses of Castellbò, Foix and Béarn.

The 13th century was a time of bitter struggle between the counts of Foix and the See of Urgell to reduce the rights of the bishops over Andorra.

Hostilities came to an end with the signature of two arbitration judgements, known as the *Pariatges*, signed in 1278-1288 between the bishop of Urgell, Pere d'Urg, and the count of Foix, Roger Bernat III.

The *Pariatges* establish the co-sovereignty of the bishop of Urgell and the count of Foix over Andorra: thus bringing the Principality of Andorra into existence.

During the 15th century the counts of Foix became the rulers of Navarre and in 1589 Henry, king of Navarre and count of Foix, viscount of Béarn and lord of Andorra, became king of France, so that the rights of co-lordship over Andorra, which belonged to the counts of Foix, passed to the crown of France.

In 1793, due to the feudal origin of the bonds uniting Andorra with France, the French republicans refused to maintain relations with the Andorrans and receive their tribute. In 1806, Napoleon re-established the feudal tradition and the French rights of co-lordship over the Principality of Andorra.

With its historical and political development, Andorra continues to be a co-principality, with the bishop of Urgell and the president of the French Republic as the co-princes by personal title and in absolute equality.

From the creation of the Land Council in 1419 as a first parliamentary form, when representatives from all the parishes met together to deal with the problems of the community, and right up to the present day, the Andorrans have not ceased to move forward in modernising and updating their institutions.

In the second half of the 19th century, the so-called New Reform brought substantial changes in the fields of politics and administration; the right to vote was given to all heads of houses and the power of the General Council was increased.

In 1981, with the creation of the Executive Council, the most recent and decisive reforms in the Principality of Andorra began; they would culminate in the desire of the Andorrans to have a written Constitution.

The process ended on 14 March 1993, with the first written Constitution of Andorra, which transformed the Principality into an independent state of law, democratic and social, with a new definition of the competences attributed to the institutions.

You may have never heard of Andorra...

but it should be on your list of countries to investigate if you are serious about living or retiring in another country.

It has zero crime to speak of!

A location where all the modern amenities for a comfortable live exist and where there are over 300 days of sunshine a year.



Political information

• The heads of State: the co-princes

The Andorran Constitution establishes in article 43 that the co-princes are jointly and indivisibly the heads of State and its highest representation.

The co-princes are, personally and exclusively, the bishop of Urgell, currently Joan Enric Vives Sicília, and the president of the French Republic, currently Jacques Chirac.

The most remarkable feature of the Andorran system is precisely this, that there are two heads of State, a feature that has come down to us from the Pariatges and is the result of the singular historical development of Andorra.

The co-princes preside over and moderate the public powers and exercise their functions with the counter-signature of the head of Government or the speaker.

Among other things, they call the general elections, give accreditation to diplomatic representatives, sanction and promulgate the laws, and give consent for the State to bind itself by means of international treaties, in the conditions fixed by the Constitution.

• The Consell General (legislative organ)

The forerunner of the General Council was the Land Council, created in 1419, in which representatives from all the parishes (administrative and territorial divisions) met twice a year.

The General Council represents the Andorran people, exercises the legislative function, approves the State budgets and promotes and controls the Government's political actions.

The members are elected by universal suffrage, free, equal, direct and secret, for a term of four years.

The General Council is composed of general councillors, between twenty-eight and forty-two, half of whom are elected in equal numbers for each of the seven parishes and the other half are elected by national ballot.

The Speaker's Office or Sindicatura is the organ controlling the General Council. The speaker and deputy speaker may not hold their posts for more than two consecutive mandates. The General Council meets in traditional sessions, ordinary and extraordinary, and functions in plenary form and through committees.

For the General Council to adopt resolutions validly, it must be in session with the attendance of at least half the councillors.

The legislative initiative corresponds to the General Council and to the Government. Three Communes jointly or a tenth of the national electoral census can present propositions for law to the General Council.

As soon as the General Council approves a law, the speaker advises the co-princes so that, between the eighth and fifteenth day following, they may sanction it, promulgate it and order its publication in the Official Journal of the Principality of Andorra.

Accommodation

Rest...

Feel well...

Relax...

These are, among others, some of the good feelings that you can have if you stay in one of the hotels that Andorra offers you.

Skiing

The principality of Andorra has the largest skiable area in the Pyrenees. The country can offer 3 ski stations, 174 slopes representing a distance of 282 km, 107 skilifts, the services of about 650 instructors and 1387 snow canons which guarantee skiing during the whole season. All this in a territory which measures only 468 sq.km.



- **The Government**

The Government directs the national and international policies of Andorra. It also directs the administration of the State and exercises the power of regulation. The Government of Andorra is made up of the head of Government (Cap de Govern) and the minister.

- **The comuns**

Andorra is divided for administrative and territorial purposes into seven parishes: Canillo, Encamp, Ordino, la Massana, Andorra la Vella, Sant Julià de Lòria and Escaldes-Engordany.

The communes represent and administrate the interests of the parishes, approve and execute the commune budget, fix and carry out the public policies and manage and administrate all the assets in commune ownership. They have their own resources and receive transfers of capital from the general State budget, for the purpose of guaranteeing financial autonomy.



Living in Andorra

- **Tax heaven**

High on most foreigner's list of reasons for living in Andorra is the total absence of direct taxes. No income, no capital, no inheritance taxes.

Andorra depends almost entirely on tourism. Andorra's government making just about enough from the import duty to fund its budget. Ten-million visitors, most of them day-shoppers from Spain and France, pile into the country every year, buying from sugar, butter, olive oil and cheese... to cameras, electronics, sports equipment, boutique clothing, perfumes and colognes. Alcohol, cigarettes and tobacco products are probably the cheapest in Europe.

There are other indirect taxes like a value-added tax of 4% on services, small duties on telephon and electricity fees, tax on real estate transmissions, small community charges etc.

Andorran companies are paying low general taxes for the commercial enterprise.

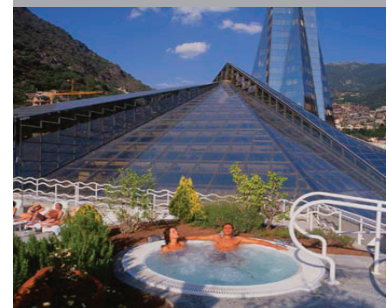
- **Andorra Banking**

Banks and other financial institutions in Andorra are regulated by the Andorran National Financial Institute (INAF) under the Law Regulating the Financial System 1993. Andorran banks (5) are all members of the Agrupació de Bancs Andorrans, which operated a system of self-regulation until the regulatory law was passed in 1993. The banks have very conservative policies, and high solvency ratios. The over-riding characteristic of Andorran banks that attracts foreign depositors and investors, apart from the absence of taxes, is secrecy. Numbered accounts, made available only to top-quality clients, are said to be known only to „the customer, the banker and God“. General accounts, also secret under the law, are highly protected as well.

In June, 2004, however, Andorra was obliged to accept the EU's Savings

Nature

Welcome to an exploration of Andorra from the most splendid of viewpoints: nature, mountains, rivers, pools, lakes, fountains, meadows, river-banks, the Romanesque and the heritage, to discover the essence of a mountain country far from the hustle and bustle of city life.



Tax Directive, and as from July, 2005, is imposing a withholding tax of 15% on returns on savings paid to citizens of Member States of the EU, of which 75% is remitted onwards to the States concerned. Andorran Residents do not have to pay the EU-Savings-Tax.

In response to international concern over money-laundering, Andorra introduced the „Law of Protection of Banking Secrecy and of Prevention of Laundering of Money or of Assets Deriving from Crime“ in 1995. This law requires financial institutions to report any suspicious money movements to the INAF. In August 2001, a Department for the Prevention of Money Laundering (Unitat de Prevenció de Blanqueig- UPB) was established.

• Andorra Companies

The rules for Andorran majority participation and the absence of tax treaties with other countries mean that Andorra is not a suitable place in which to base international trading operations. That said, the absence of taxation, the high levels of secrecy (for companies as well as banks), and the liberal business environment in Andorra make it a good place in which to collect the proceeds of legitimate international business activity; and this is especially true if the ultimate beneficiary is living in Andorra.

There is talk within Andorra of weakening the local ownership rules, which effectively limit Andorra's international business to small-scale operations which can tolerate a degree of legal uncertainty; but it is not thought likely that the powerful and very rich interests that dominate Andorran commercial life will be willing to accept much diminution (as they would see it) of their prerogatives. Draft legislation would allow 100% foreign ownership in certain sectors, including audio-visual production and marketing, technological and scientific research, production of medicines, E-commerce, and broadcasting.

• Andorra Residency

There are two categories of residencies for foreigners: one for retirees, the other for those who want to work or start a business. To obtain a main place of residence in Andorra you must:

- *own or lease a house or apartment*
- *produce evidence of coverage under a private health plan*
- *prove you have annual income of € 30'201,48 plus € 10'067,16 for each dependent*
- *obtain a certificate from your local police confirming you have no criminal record*
- *deposit € 30'000 plus € 7'000 for each dependent, with the Government Finance Agency. This is an interest-free loan and will be refunded only when you surrender your residencia*
- *pass a medical test to show you have no notifiable disease*

The Immigration Dept usually takes about a month to process applications. Residencies are valid for one year initially, with three-year renewals thereafter. You must spend at least 183 days in the country every year, register and insure your vehicle in Andorra, and apply for an Andorran driving license.

Gastronomy

Enjoyment...

Variation...

Surprises...

Andorra can offer all of these if you want to experiment.

In Andorra, the image of an exclusively traditional, mountain-style gastronomy has been enriched with variety, offering you an innovative cuisine which has cleverly married our best regional recipes from many generations with new techniques, experiences, and total dedication to satisfying the most diverse tastes. There's plenty of variety in places and restaurants.

Andorra is a full member of the United Nations and it has zero crime to speak of!

You can educate your children free in the country's excellent andorran, french or spanish school system.

A residency with working permission you can obtain with a contract of employment from an existing company or if you establish your own business.

- **Buying property**

Non-Andorrans can purchase an apartment, a building plot not exceeding 1'000 sqm, or an existing house (generally referred to as a „chalet“).

Your realtor will help draw up the standard contract of purchase. On signing it's customary to hand over a certified check for 10% of the price.

The agent holds this in escrow.

After signature of the contract, your realtor will submit a „permission to purchase“ request to the government.

Transfer of title is via the Escripura pública, drawn up by one of the four notaries public. They are government appointees responsible for supervising the transfer of ownership so you don't need to retain a lawyer.

Your escriptura, as with all official documents, will be in Catalan.

Contact details



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Member of AGIA n° 252



Ryanair and easyJet are two of the low cost carriers flying to Barcelona and Girona airports in Spain from European capitals, the onward journey time to Andorra's capital Andorra la Vella is two and a half hours by coach or car.

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