

Monaco

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Monaco, officially the Principality of Monaco, is a tiny sovereign city-state located in Western Europe. The territory lies on the northern coast of the Mediterranean Sea and is completely enclosed by France. Monaco is often regarded as a tax haven, and many of its inhabitants are wealthy and from foreign countries, making up a majority of 84%. Monaco is the world's most densely populated sovereign country, and the world's smallest French-speaking country of only 32,671 people (2007 estimate).

Monaco, bordering France on the Mediterranean coast, is a popular resort, attracting tourists to its casino and pleasant climate. The principality also is a major banking center and has successfully sought to diversify into services and small, high-value-added, non-polluting industries. The state has no income tax and low business taxes and thrives as a tax haven both for individuals who have established residence and for foreign companies that have set up businesses and offices. The state retains monopolies in a number of sectors, including tobacco, the telephone network, and the postal service. Living standards are high, roughly comparable to those in prosperous French metropolitan areas.

One of Monaco's main sources of income is tourism; each year many are attracted to its casino and pleasant climate. In 2001, a major new construction project extended the pier used by cruise ships in the main harbour. The principality has successfully sought to diversify into services and small, high-value-added, non-polluting industries such as cosmetics and biotechnology. The state retains monopolies in numerous sectors, including tobacco and the postal service. The telephone network (Monaco Telecom) used to be owned by the state; it now owns 45%, while the remaining 55% is owned by Cable and Wireless (49%) and Compagnie Monégasque de Banque (6%). It is still, however, a monopoly.

Monaco is not a member of the European Union but is very closely linked to it via a customs union with France, and as such its currency is the same as that of France: the euro. Prior to 2002, Monaco minted their own franc coins, the Monegasque franc. Monaco has acquired the right to mint euro coins with Monegasque designs on their national side.

The State has no income tax for individuals. The lack of personal income tax has led to a considerable number of wealthy "tax refugee" residents from European countries who derive the majority of their income from activity outside Monaco; celebrities such as Formula One drivers attract most of the attention, but the vast majority of them are

considerably less well-known business people.

If there's a global real estate downturn, it isn't visible in Monaco, home of the super-rich. Since the beginning of 2006, prices have risen in real estate by an average of 51% during the 30 months to June 2008, according to Global Property Guide research. Before this latest spurt, Monaco's property prices had risen by over 10% a year during the previous decade.

Acquiring property in Monaco is quite straightforward. There are no restrictions on foreigners.

External link: [Offshore Banks in Monaco Under Attack as Recession bites in Europe](#)