



C/2023/437

23.10.2023

Council conclusions
on the revised EU list of non-cooperative jurisdictions for tax purposes

(C/2023/437)

THE COUNCIL OF THE EUROPEAN UNION,

1. UNDERLINES the importance of promoting and strengthening tax good governance standards, including in the area of fair taxation and tax transparency, and of fighting against tax fraud, evasion and avoidance, both at the EU level and globally;
2. APPRECIATES the work of the Code of Conduct Group and its Chairs for their contribution to fulfilling the mandate and objectives as reflected in the Code of Conduct on Business Taxation ('the Code of Conduct Group') over past 25 years;
3. APPRECIATES the continuous productive cooperation on tax matters between the Code of Conduct Group and most jurisdictions around the world;
4. WELCOMES the progress in the relevant jurisdictions through the active steps taken by the agreed deadlines and the new commitments taken towards resolving the deficiencies that the Code of Conduct Group had identified;
5. REGRETS that some jurisdictions were downgraded by the Global Forum in relation to their rating on exchange of information on request or were not able to address the identified deficiencies;
6. REGRETS that some jurisdictions remain non-cooperative for tax purposes and that a number of jurisdictions failed to fulfil their commitments to the Code of Conduct Group with regard to economic substance requirements under criterion 2.2 or the reform of harmful tax regimes under criterion 2.1; INVITES these jurisdictions to engage with the Code of Conduct Group in order to resolve the remaining issues;
7. REGRETS that Türkiye has not made any progress with one Member State on the effective automatic exchange of information; REITERATES its call on Türkiye to begin the outstanding automatic information exchange relationships with one Member State and to fully comply with the requirements set in the conclusions of the Ecofin Council of 22 February 2021, 5 October 2021, 24 February 2022, 4 October 2022 and 14 February 2023; REITERATES that the effective automatic exchange of information with all Member States is a condition for Türkiye to fulfil criterion 1.1 of the EU list; INVITES the Group to inform the Council about developments in this regard and to continue addressing the outstanding issues where no progress has been made;
8. APPROVES the Code of Conduct Group Report set out in document 13650/23;
9. APPROVES accordingly the revised EU list of non-cooperative jurisdictions for tax purposes ('EU list') set out in Annex I;
10. ENDORSES the state of play set out in Annex II with respect to commitments taken by cooperative jurisdictions to implement tax good governance standards.

ANNEX I

The EU list of non-cooperative jurisdictions for tax purposes**1. American Samoa**

American Samoa does not apply any automatic exchange of financial information, has not signed and ratified, including through the jurisdiction they are dependent on, the OECD Multilateral Convention on Mutual Administrative Assistance as amended, has not committed to applying the minimum standards on base erosion and profit shifting (BEPS minimum standards) and has not committed to addressing these issues.

2. Anguilla

Anguilla does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request. Anguilla also facilitates offshore structures and arrangements aimed at attracting profits without real economic substance by failing to take all necessary actions to ensure the effective implementation of substance requirements under criterion 2.2.

3. Antigua and Barbuda

Antigua and Barbuda does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request.

4. The Bahamas

The Bahamas facilitates offshore structures and arrangements aimed at attracting profits without real economic substance by failing to take all necessary actions to ensure the effective implementation of substance requirements under criterion 2.2.

5. Belize

Belize does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request.

Belize also committed to address the Global Forum recommendations with regard to automatic exchange of information in due time, so as to achieve determinations of at least 'In place, but needs improvement' on core requirements 1 and 2 in the Global Forum peer review report in the autumn of 2024.

6. Fiji

Fiji is not a member of the Global Forum, has not signed and ratified the OECD Multilateral Convention on Mutual Administrative Assistance as amended, has harmful preferential tax regimes (Exporting Companies, Income Communication Technology (ICT) Incentive, Concessionary rate of tax for regional or global headquarters), has not become a member of the Inclusive Framework nor implemented the BEPS minimum standards, and has not resolved these issues yet.

7. Guam

Guam does not apply any automatic exchange of financial information, has not signed and ratified, including through the jurisdiction they are dependent on, the OECD Multilateral Convention on Mutual Administrative Assistance as amended, has not committed to apply the BEPS minimum standards and has not committed to addressing these issues.

8. Palau

Palau does not apply any automatic exchange of financial information, has not signed and ratified the OECD Multilateral Convention on Mutual Administrative Assistance as amended, and has not resolved these issues yet.

9. Panama

Panama does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request, has a harmful foreign source income exemption regime and has not resolved these issues yet.

10. Russian Federation

The Russian Federation has a harmful preferential tax regime (International Holding Companies) and has not resolved this issue.

11. Samoa

Samoa has a harmful preferential tax regime (Offshore Business) and has not resolved this issue yet.

12. Seychelles

Seychelles does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request.

13. Trinidad and Tobago

Trinidad and Tobago does not have a rating of at least 'Largely Compliant' by the Global Forum for exchange of information on request, has not signed and ratified the OECD Multilateral Convention on Mutual Administrative Assistance as amended, has harmful preferential tax regimes (Free Zones), does not implement the BEPS minimum standard on country-by-country reporting and has not resolved these issues yet.

Trinidad and Tobago has also committed to addressing the Global Forum recommendations with regard to automatic exchange of information (criterion 1.1) in due time, so as to achieve determinations of at least 'In place, but needs improvement' on core requirements 1 and 2 in the Global Forum peer review report in the autumn of 2024.

14. Turks and Caicos Islands

Turks and Caicos Islands facilitates offshore structures and arrangements aimed at attracting profits without real economic substance by failing to take all necessary actions to ensure the effective implementation of substance requirements under criterion 2.2.

15. US Virgin Islands

US Virgin Islands does not apply any automatic exchange of financial information, has not signed and ratified, including through the jurisdiction they are dependent on, the OECD Multilateral Convention on Mutual Administrative Assistance as amended, has harmful preferential tax regimes (Economic Development Programme, Exempt companies, International Banking Center Regulatory Act), has not committed to apply the BEPS minimum standards and has not committed to addressing these issues.

16. Vanuatu

Vanuatu facilitates offshore structures and arrangements aimed at attracting profits without real economic substance and has not resolved this issue yet.

Vanuatu is waiting for a supplementary review by the Global Forum in relation to exchange of information on request.

ANNEX II

State of play of the cooperation with the EU with respect to commitments taken by cooperative jurisdictions to implement tax good governance principles**1. Transparency****1.1 Automatic exchange of information**

The following jurisdiction is expected to effectively exchange information with all 27 Member States according to the timeline referred to in paragraph 6 of the Council conclusions of 22 February 2021, paragraph 4 of the Council conclusions of 5 October 2021, paragraph 4 of the Council conclusions of 24 February 2022, paragraph 4 of the Council conclusions of 4 October 2022 and paragraph 7 of the Council conclusions of 14 February 2023:

Türkiye

The following jurisdictions committed to address the Global Forum recommendations with regard to automatic exchange of information in due time, so as to achieve determinations of at least 'In place, but needs improvement' on core requirements 1 and 2 in the Global Forum peer review report in the autumn of 2024:

Aruba, Costa Rica, Curaçao and Israel**1.2 Membership of the Global Forum and satisfactory rating in relation to exchange of information on request**

The following jurisdictions are waiting for a supplementary review by the Global Forum:

Botswana, British Virgin Islands and Dominica**2. Fair Taxation****2.1 Existence of harmful tax regimes**

The following jurisdictions, which committed to amending or abolishing their harmful foreign source income exemption regimes by the end of 2022 and demonstrated tangible progress with these reforms in 2022, were granted until the end of 2023 to adapt their legislation as regards the treatment of capital gains:

Hong Kong and Malaysia

The following jurisdictions committed to amending or abolishing preferential tax regimes in the scope of the Forum on Harmful Tax Practices (FHTP), by 31 December 2023:

Albania (Industrial Incentives), Armenia (Free economic zones and Information technology projects) and Eswatini (Special economic zone)**3. Prevention of base erosion and profit shifting****3.2 Implementation of the CbCR minimum standard (BEPS Action 13)**

The following jurisdiction committed to implement the CbCR minimum standard and to activate CbCR exchange relationships with all EU Member States according to the agreed deadline (by 31 August 2024):

Vietnam