

To: Public Affairs & Communications Committee, Taxation WG

## Council updates list of non-cooperative jurisdictions for tax purposes

On 4 October, the Council [updated](#) its list of non-cooperative jurisdictions for tax purposes, and decided to add the following jurisdictions to this list: Anguilla, the Bahamas and Turks and Caicos Islands. Turks and Caicos Islands are listed for the first time, while the Bahamas were already once listed in 2018, and Anguilla once in 2020.

The reason for the inclusion of Anguilla, The Bahamas and Turks and Caicos Islands in the list is that there are concerns that these three jurisdictions, which all have a zero or nominal only rate of corporate income tax, are attracting profits without real economic activity (criterion 2.2 of the EU list). In particular, they failed to adequately address a number of recommendations of the OECD Forum on Harmful Tax Practices (FHTP) in connection to the enforcement of economic substance requirements, something to which they committed earlier this year. The Council thus expressed regrets that these jurisdictions are non-cooperative on tax matters and invited them to engage with the EU's Code of Conduct Group in order to resolve the identified issues.

In addition to the list of non-cooperative tax jurisdictions, the Council approved the state of play document (Annex II of the Council conclusions) which reflects the ongoing EU cooperation with its international partners and the commitments of these countries to reform their legislation to adhere to agreed tax good governance standards. More precisely it refers to the following countries:

- Bermuda: the OECD FHTP recommendations on the effective implementation of substance requirements was deemed fulfilled, resulting in the deletion of the reference to this jurisdiction in the state of play document.
- Tunisia: completed its commitment relating to the country-by-country reporting minimum standard (BEPS action 13) and has consequently been deleted from the relevant section in Annex II.
- Costa Rica fulfilled its commitment to amend its Special Economic Zones regime, which was considered harmful by the FHTP, and ceases to appear in this section.

Annex II also features two new commitments in the context of the work of the FHTP on harmful preferential tax regimes: both Armenia and Eswatini committed to abolish or amend their preferential tax regimes by 31 December 2023.

### For more info

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