



LEGISLATION MONITORING

Update of the EU list of non-cooperative jurisdictions for tax purposes

By the decision of the EU, the Cayman Islands, Palau, Panama and the Seychelles joined the other 8 jurisdictions in the EU list of non-cooperative jurisdictions for tax purposes. This measure aiming to deal with countries that encourage abusive tax practices may complicate doing business with “black-listed” jurisdictions.

Key points

- 18 February 2020 the EU has again updated [the EU list of non-cooperative jurisdictions for tax purposes](#).
- The new “black-listed” jurisdictions are the Cayman Islands, Palau, Panama and the Seychelles. Thus, the full list currently consists of 12 jurisdictions.
- At the same time, such offshores like Bahamas, Bermuda, and Marshall Islands are completely delisted. That means that these jurisdictions committed to cooperate with the EU and demonstrated engagement in tackling abusive tax practices.
- Implementation of the EU list of non-cooperative jurisdictions for tax purposes has already impacted tax compliance requirements in EU. Among other steps, Luxembourg tax authorities issued a tax circular N°64 of 7 May 2018 requiring corporate taxpayers to report transactions entered into with residents of non-cooperative jurisdictions. Moreover, the new Council Directive (EU) 2018/822 of 25 May 2018 (common name is DAC 6) that will become effective in local legislation of EU countries starting from 1 July 2020 also refers to this list and requires additional reporting.

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