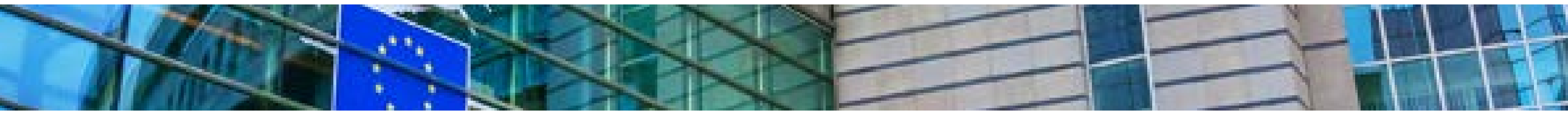

Further to our previous newsletter issued on this matter on the 8th of October, and after the new ammendments we present a concise update on the European Union (EU) List of Non-Cooperative Jurisdictions for tax purposes. The recent adjustments to the European Union (EU) List of Non-Cooperative Jurisdictions is one such significant development, and we're here to help you navigate it.

1. Jurisdictions Key Changes to the EU's List

The Council has taken action to further refine the EU's list of non-cooperative jurisdictions for tax purposes:

Jurisdictions Removed:
- Antigua and Barbuda removed from the list on 8th of October, 2024
- Bahamas, Belize, Seychelles and Turks and Caicos Islands removed from list on 20th of February, 2024.

With the above revisions, the EU list now encompasses the following 11 jurisdictions:

Listed: these countries do not cooperate with the EU or have not fully met their commitments	
1. American Samoa	7. Russia
2. Anguilla	8. Samoa
3. Fiji	9. Trinidad and Tobago
4. Guam	10. US Virgin Islands
5. Palau	11. Vanuatu
6. Panama	

The list becomes official upon publication in the Official Journal of the EU. The jurisdictions included in the list, the timeline, and updates can be found on the following links:

LINK 1 from consilium.europa.eu
LINK 2 from consilium.europa.eu

2. What led to these changes?

This list, including countries, either not positively engaging with the EU on tax governance or failing to meet their commitments, is developed with the intent to ensure compliance with the objective tax good governance criteria. The criteria involve tax transparency, fair taxation, and adherence to international standards geared towards preventing base erosion and profit shifting.

Antigua and Barbuda was added to the EU's list of non-cooperative jurisdictions for tax purposes in October 2023, following an unfavorable evaluation by the OECD Global Forum regarding the exchange of information upon request. Due to recent changes in Antigua and Barbuda's rules, the Global Forum has agreed to conduct a supplementary review in the near future. Meanwhile, the country has been

placed in the appropriate section of Annex II, pending the review results.
Additionally, two jurisdictions that have been on the list for an extended time, *Fiji and Palau,* have shown significant progress toward meeting the compliance criteria. These improvements are reflected in their updated listings.

In October 2022, the OECD Forum of Harmful Tax Practices (FHTP) highlighted deficiencies in the enforcement of economic substance rules in the *Bahamas and the Turks and Caicos Islands*. However, the FHTP's latest review revised its recommendations from "hard" to "soft," enabling the Code of Conduct Group to recognize both jurisdictions as meeting the standard for places with little or no corporate income tax.

Additionally, in October 2023, *Belize and Seychelles* were added to the EU list of non-cooperative jurisdictions for tax purposes, following an unfavorable assessment by the OECD Global Forum concerning the exchange of information on request. In light of recent regulatory updates, both countries have been granted a supplementary review. Until its completion, Belize and Seychelles remain in the relevant section of Annex II.

3. "State of Play" Document (Annex II)

Alongside the list of non-cooperative tax jurisdictions, the Council also approved the standard state of play document (Annex II), which outlines the ongoing collaboration between the EU and its international partners, as well as the commitments made by these countries to reform their legislation in line with agreed-upon tax good governance standards.

The document aims to acknowledge the constructive efforts being made in the area of taxation and to promote the positive approach taken by cooperative jurisdictions in implementing tax good governance principles.

Key updates to Annex II include:

- **Armenia and Malaysia** have fulfilled their commitments by reforming a harmful tax regime and will be removed from the state of play document.
- **Vietnam :** More time has been given to Vietnam to fulfill its obligation regarding country-by-country reporting, with a reassessment set for the next update in February 2025.

4. Final Thoughts

International tax updates pose both challenges and opportunities. Our goal is to keep clients informed and help them navigate these changes effectively. For those dealing with the affected jurisdictions, understanding these shifts is essential to avoid tax implications. Regular reviews of business activities in these areas are crucial for risk management.

The EU will continue its reviews, with the next revision scheduled for February 2025.

SPL
13 Kypranoros Str, Ground Floor, 1061, Nicosia, Cyprus
Phone + 357 22 510 057
Fax + 357 22 511 157
Email tax@splcy.com
www.splcy.com