

# Council of the EU approves changes to the EU list of non-cooperative tax jurisdictions

8 October 2024

## In brief

### What happened?

The EU General Affairs Council (acting as the Council of the EU) has approved the recommendations of the EU Code of Conduct Group in relation to the [updated list](#) of non-cooperative tax jurisdictions. The Council removed Antigua and Barbuda from the list of non-cooperative jurisdictions for tax purposes. With these updates, the EU Annex I list of non-cooperative jurisdictions for tax purposes now consists of 11 jurisdictions.

### Why is it relevant?

Being listed may lead to increased withholding taxes and non-deductibility with respect to payments to a listed jurisdiction, CFC issues, reporting obligations, public country-by-country implications, or limitations on the participation exemption on shareholder dividends.

### What to consider

Businesses should review the updated lists and consider the potential consequences for entities located in impacted jurisdictions.

## In detail

Following the recommendations of the EU Code of Conduct Group during a meeting on 8 October 2024, the Council adopted the EU Annex I list of non-cooperative jurisdictions, which now consists of the following 11 jurisdictions:

- American Samoa
- Anguilla
- Fiji
- Guam
- Palau
- Panama
- Russia
- Samoa
- Trinidad and Tobago
- US Virgin Islands
- Vanuatu

Antigua and Barbuda was removed from the Annex I list. This jurisdiction was added to the EU's non-cooperative tax jurisdiction list in October 2023 after a negative OECD Global Forum assessment with respect to exchange of information on request. Following changes to the relevant rules in Antigua and Barbuda, a supplementary review by the Global Forum is pending, and Antigua and Barbuda remains in Annex II until the review is positively concluded.

Two jurisdictions were removed from Annex II after fulfilling their commitments by amending a harmful tax regime:

- Armenia
- Malaysia

Following these updates, the Annex II list of countries that do not yet comply with all international tax standards but have committed to implementing reforms consists of the nine jurisdictions below:

- Antigua and Barbuda
- Belize
- British Virgin Islands
- Costa Rica
- Curaçao
- Eswatini
- Seychelles
- Türkiye
- Vietnam

### ***EU Code of Conduct Group***

The EU Code of Conduct Group is responsible for assessing jurisdictions' adherence to global tax standards. If jurisdictions are found to be insufficiently compliant with international tax standards; maintaining a harmful tax practice; or unresponsive in dealing with the Group's advice, the Group will recommend to the Council that the jurisdictions be listed. The Group has been in operation for 26 years. Having reviewed hundreds of tax regimes since 1998, the Group will continue to monitor jurisdictions' adherence to the EU Code of Conduct. The Group also will look to expand the geographical scope of the EU list and adopt additional future criteria such as beneficial ownership, minimum effective taxation, and more.

### ***Consequences of being on the non-cooperative list***

The listing of a jurisdiction may result in different tax consequences, such as:

- increased withholding taxes on payments to and non-deductibility of costs incurred in a listed jurisdiction,
- CFC issues,
- reporting obligations, such as under mandatory disclosure rules (e.g. EU DAC6) or with respect to EU public country-by-country reporting, or
- limitations on the participation exemption on shareholder dividends.

Additional information about both the tax and non-tax defensive measures that EU Member States can take against listed jurisdictions is available [here](#).

## Let's talk

For a deeper discussion of how the EU list of non-cooperative tax jurisdictions might affect your business, please contact:

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