EU list on non-cooperative jurisdictions for tax purposes
state of play, strengths and weaknesses

European Commission, Directorate General Taxation and Customs Union (DG TAXUD)

Commission Expert Group Platform for Tax Good Governance

Meeting of 8 December 2021
Overview

• Looking back: updates of the EU list in 2021
• Looking forward: towards the next update
• Strengths and results achieved
• How to improve the list’s weaknesses
• Questions for discussion
Updates of the EU list in 2021

• Two updates: 22 February and 5 October
• Key trends: countries are leaving the EU list and entering Annex II
• The core of the EU listing process centers around dialogue, cooperation and commitment to improve tax good governance – Annex II is the place that reflects that
• Listing remains a last resort option
• For the first time since 2019, in October the number of countries on Annex II increased
2021 updates in context
Since October 21, still 9 countries listed…

Time on the EU list, in days (at 24 November 2021)

- Palau: 645 days
- Panama: 645 days
- Fiji: 988 days
- Vanuatu: 988 days
- American Virgin Islands: 1352 days
- American Samoa: 1450 days
- Guam: 1450 days
- Samoa: 1450 days
- Trinidad and Tobago: 1450 days
Next update: February 2022

• The EU list is overall expected to remain stable. However, technical contacts are ongoing with several of the jurisdictions on the list and any progress will be duly recorded.

• Most changes will likely concern Annex II. It is expected that the number of jurisdictions having committed to undertake tax good governance reforms will continue to grow.
Strenghts: results achieved

- 95 countries screened
- Over 140 preferential tax regimes reformed or abolished
- Expanded participants to key international tax cooperation instruments: Mutual Assistance Convention and BEPS Inclusive Framework
- 13 no or very low tax countries have introduced economic substance requirements
But there is ample room for improvement…

- The EU listing process remains « work in progress »
- Tax Good Governance communication: the roadmap
- Pandora Papers: add urgency
- There is an urgent need to update the EU listing criteria and to ensure they are effective
Questions for discussion

1. In your view, which are the key strengths and the main weaknesses of the EU listing process?

2. What could the Commission do, in your view, to improve the process?

3. More generally, in your view, how could the Commission enhance cooperation on tax matters with third countries, especially developing countries?