[Fair Taxation: EU updates list of non-cooperative tax jurisdictions]

Over the course of last year, the Commission assessed 92 countries based on three criteria: tax transparency, good governance and real economic activity, as well as one indicator, the existence of a zero corporate tax rate. Today's update shows that this clear, transparent and credible process delivered a real change: 60 countries took action on the Commission's concerns and over 100 harmful regimes were eliminated. The list has also had a positive influence on internationally agreed tax good governance standards.

Based on the Commission's screening, ministers blacklisted today 15 countries. Of those, 5 have taken no commitments since the [first blacklist adopted in 2017]: **American Samoa, Guam, Samoa, Trinidad and Tobago,** and **US Virgin Islands**. 3 others were on the 2017 list but were moved to the grey list following commitments they had taken but have now to be blacklisted again for not having followed up: **Barbados, United Arab Emirates** and **Marshall Islands**. A further 7 countries were moved today from the grey list to the blacklist for the same reason: **Aruba, Belize, Bermuda, Fiji, Oman, Vanuatu** and **Dominica**.Another 34 countries will continue to be monitored in 2019 (grey list), while 25 countries from the original screening process have now been cleared.

"The EU tax havens list is a true European success. It has had a resounding effect on tax transparency and fairness worldwide", said Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs. *"Thanks to the listing process, dozens of countries have abolished harmful tax regimes and have come into line with international standards on transparency and fair taxation. The countries that did not comply have been blacklisted, and will have to face the consequences that this brings. We are raising the bar of tax good governance globally and cutting out the opportunities for tax abuse."*

The EU's list has led to changes in global tax practices that would have been unimaginable only a few years ago. Conceived by the Commission and first [agreed by Member States in December 2017], it is a common tool to tackle risks of tax abuse and unfair tax competition globally. The process is fair with improvements made visible in the list and it boosted transparency with countries' commitment letters published online. The EU listing process has also created a framework for dialogue and cooperation with the EU's international partners, to address concerns with their tax systems and discuss tax matters of mutual interest. The screening will now be enhanced with more compulsory transparency criteria to be respected and three G20 countries added to the next screening, **Russia**, **Mexico** and **Argentina**.

In terms of consequences, Member States have agreed on a set of countermeasures, which they can choose to apply against the listed countries, including increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The Commission will continue to support Member States' work to develop a more coordinated approach to sanctions for the EU list in 2019. **In addition,** new provisions in EU legislation **prohibit** EU funds from being channelled or transited through entities in countries on the tax blacklist.

Next steps

The EU listing process is currently a dynamic one, which will continue in the years ahead.

- A letter will now be sent to all jurisdictions on the EU list, explaining the decision and what they can do to be de-listed.
- The Commission and Member States (Code of Conduct Group) will continue to monitor the jurisdictions that have until the end of 2019/2020 to deliver, and assess whether any other countries should be included in the EU listing process.
- The Commission will continue the open dialogue and engagement with the jurisdictions concerned, to provide technical support and clarifications whenever needed and to discuss any tax matters of mutual concern.

Further information

Common EU list of third country jurisdictions for tax purposes

Q & A