



Council of the
European Union

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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council

To: Delegations

Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Faroe Islands

Dagfesting: 10. november 2017
Mál nr.: 17/00067-8
Málsviðgjørt: JEK

**General Secretariat of the Council
Chairman of the Code of Conduct Group (Business Taxation)**

Dear Ms. Fabrizia Lapecorella,

By this letter, the Faroe Islands wishes to join the Inclusive Framework on BEPS and affirm its commitment to the agreed BEPS minimum standards and their consistent implementation.

So far the Faroe Islands has made a draft amendment to the Multilateral Nordic DTC together with Denmark, Finland, Iceland, Norway and Sweden that meets the agreed BEPS minimum standards. This amendment was initialed in August and will be submitted to the respective Nordic Parliaments for approval later this year or early next year.

The Danish DTCs with India and Switzerland are territorially extended to include the Faroe Islands.

The DTC with India is already enrolled under the MLI. With regard to Switzerland, Denmark has agreed at Switzerland's request to enter into a protocol.

With regard to the remaining ordinary DTCs, it is our intention later this year or early next year to request Greenland and the United Kingdom to enter into protocols so that these agreements also comply with BEPS minimum standards

Finally, the Faroe Islands does not intend to include Article 25(3), second sentence, of the OECD Model Tax Convention in tax treaties with a limited scope as such inclusion would contradict the purpose of those treaties. When states agree on a comprehensive treaty, the intention is to cover all or close to all cases. Against this background, it is the Faroe Islands' understanding that Article 25(3), second sentence, of the OECD Model Tax Convention should enable the competent authorities to deal with rare and exceptional cases, i.e. function as a back-up clause. The opposite applies for treaties with a limited scope. The intention here is to cover only a certain type of situations. Accordingly, in the Faroe Islands' view it is inappropriate to give the competent authorities the possibility to consult in cases that have intentionally been excluded from the scope of the treaty.

FÍGGJARMÁLARÁÐIÐ
MINISTRY OF FINANCE

The Faroe Islands looks forward to the reply of the Secretariat regarding this letter.

If you need any further information, please do not hesitate to contact [REDACTED]
by e-mail: [REDACTED] or phone +298 [REDACTED]

Yours sincerely,



Kristina Háfoss
Minister of Finance

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