



Council of the  
European Union

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Eingelangt am 19/11/18

Brussels, 19 November 2018  
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## OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council

To: Delegations

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

- Compilation of commitment letters received from jurisdictions
  - = Saint Vincent and Grenadines
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The Prime Minister  
St. Vincent and the Grenadines  
West Indies

31 October, 2017

Ms. Fabrizia Lapecorella  
Chair of the Code of Conduct Group (Business Taxation)  
Rue de la Loi/ Wetstraat 175  
B-1048 Bruxelles/Brussels  
Belgique/België

Dear Ms. Lapecorella:

**Re: EU Council Screening of St. Vincent and the Grenadines by the Code of Conduct Group (Business Taxation)**

I wish to formally acknowledge receipt of your letter of October 23<sup>rd</sup>, 2017, relative to the captioned matter, on behalf of St. Vincent and the Grenadines and my office.

**By this letter, I hereby give a formal commitment on behalf of St. Vincent and the Grenadines to address the deficiencies outlined in Annex 1 of your aforementioned letter by December 31<sup>st</sup> 2018.**

St. Vincent and the Grenadines further commits as follows:

1. ***To undertake a review of its legislative framework for the international financial services and more particularly, the International Business Companies (Amendment) Act, the International Trusts Act and the Income Tax Act, with a view to addressing by amendment or abolition, identified harmful taxation practices pertaining to Criterion 2.1, by the above stated timeline.***

The process for implementation of the changes involves a review of the existing legislation against proposed changes, an assessment to determine the impact, including the socio-economic impact of the proposed changes and the corresponding administrative and other mechanisms which are needed to be put in place. Industry and stakeholder consultation would be required on the new laws as well as consultancy assistance for legislative research and drafting, owing to an already substantial legislative agenda for 2018.

/2...

Tel: [REDACTED] Fax: [REDACTED]  
E-mail: [REDACTED]

Re: EU Council Screening of St. Vincent and the Grenadines by the Code of Conduct Group  
(Business Taxation)

The legislative enactment process involves comprehensive review by our Attorney General and a formal Parliamentary process for approval of the proposed legislation. In order for the aforementioned processes to be efficiently completed, considerable resources (*human, financial and technical*) will be required to be prioritized in an already resource constrained small developing country.

We thus estimate this process to commence in January 2018 and be fully concluded by the last Quarter of 2018. We regret that an earlier start date is not possible due to significant prior commitments for 2017, at both an institutional and national level.

Given our full commitment to change our laws in the manner described, we wish to respectfully avail ourselves of grandfathering mechanisms of up to no later than December 31<sup>st</sup> 2021, in relation to full implementation of the new laws. The basis of this request is the need for additional time to buffer the invariable adverse effects of the new laws on the international financial services sector and address potential systemic repercussions on economic and financial stability in this jurisdiction.

- 2. To take the necessary steps to join the Base Erosion and Profit Shifting (BEPS) Inclusive Framework and commit to its minimum standards, by December 31st, 2018.**

St. Vincent and the Grenadines wishes to reiterate and confirm our commitment to fully cooperate at the international level as a responsible and accountable tax transparent jurisdiction.

All to best to you.

Sincerely,



Dr. the Hon. Ralph E. Gonsalves  
Prime Minister and Minister of Finance  
Competent Authority for the Tax Purposes

Copy: General Secretariat of the Council

Unit DG G 2B- Tax Policy, Export Credits and Regional Policy

Mr. [REDACTED], Hon. Attorney General, Attorney General's Chambers

Mr. [REDACTED], Director General/ Ministry of Finance and Planning

Mrs. [REDACTED], Executive Director, Financial Services Authority