



Council of the
European Union

Brussels, 12 March 2020
(OR. en)

5580/20
EXT 1

FISC 45

PARTIAL DECLASSIFICATION

of document: 5580/20

dated: 27 January 2020

new status: Public

Subject: Implementation of the commitments taken by jurisdictions (end 2019
deadline)

– Remaining open issues in relation to the draft assessments

Delegations will find attached the partially declassified version of the abovementioned document.



Brussels, 27 January 2020
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RESTREINT UE/EU RESTRICTED

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NOTE

From: Chair of the Code of Conduct Group (Business Taxation)
To: Code of Conduct Group (Business Taxation)

Subject: Implementation of the commitments taken by jurisdictions (end 2019
deadline)
– Remaining open issues in relation to the draft assessments

Delegations will find attached a note from the Chair of the Code of Conduct Group.

COCG Chair Note¹

Implementation of the commitments taken by jurisdictions by the end of 2019 deadline: remaining open issues in relation to the draft assessments

I. PROGRESS REPORTS AGREED AT SUBGROUP LEVEL

The progress reports on the following jurisdictions have been agreed at subgroup level on 11 December 2019, 16 and 24 January 2020 and should be endorsed by the COCG:

1. Panama (should be added to Annex I); ²
2. Marshall Islands (should be removed from Annex II under criterion 1.2);³
3. Curacao (should be removed from Annex II under criteria 1.2 and 2.1); ⁴
4. Armenia (should stay on Annex II for criterion 1.3);⁵
5. Bosnia and Herzegovina (should stay on Annex II for criterion 1.3);⁶
6. Cabo Verde (should be removed from Annex II under criterion 1.3); ⁷
7. Mongolia (should stay on Annex II for criterion 1.3); ⁸
8. Montenegro (should stay on Annex II for criterion 1.3); ⁹
9. Vietnam (should be removed from Annex II under criterion 1.3); ¹⁰
10. Palau (should be added to Annex I); ¹¹

¹ Prepared in coordination with the Presidency.

² Progress Report - Global Forum Ratings, 14846/2019 EU RESTRICTED

³ Progress Report - Global Forum Ratings, 14846/2019 EU RESTRICTED

⁴ Progress Report - Global Forum Ratings, 14846/2019 EU RESTRICTED

Progress Report - Curacao, 5361/20 EU RESTRICTED

⁵ Progress report - Armenia, 5153/2020 EU RESTRICTED

⁶ Progress report - Bosnia and Herzegovina, 5156/2020 EU RESTRICTED

⁷ Progress report - Cabo Verde, 5157/2020 EU RESTRICTED

⁸ Progress report - Mongolia, 5154/2020 EU RESTRICTED

⁹ Progress report - Montenegro, 5155/2020 EU RESTRICTED

¹⁰ Progress report - Vietnam, 5152/2020 EU RESTRICTED

¹¹ Progress report - Palau, 5149/2020 EU RESTRICTED

11. Australia (should stay in Annex II for criterion 2.1); ¹²
12. Cook Islands (should be removed from Annex II under criterion 2.1); ¹³
13. Antigua and Barbuda (should be removed from Annex II under criterion 2.1); ¹⁴
14. Saint Kitts and Nevis (should be removed from Annex II under criterion 2.1); ¹⁵
15. Botswana (should stay on Annex II for criterion 1.3); ¹⁶
16. Belize (should be removed from Annex II under criterion 2.1); ¹⁷
17. Barbados (should be removed from Annex II under criterion 2.2); ¹⁸
18. Bermuda (should be removed from Annex II under criterion 2.2); ¹⁹
19. British Virgin Islands (see also section II. 6)). ²⁰

In addition, the subgroup reached agreement that **developing countries without a financial center**, which made meaningful progress in the delivery of their commitments, were granted until 1 September 2020 to sign the MAC and until 1 September 2021 to ratify the MAC. The draft Council conclusions and Annex II were adapted accordingly. The jurisdictions concerned are:

1. Botswana; ²¹
2. Eswatini; ²²
3. Thailand; ²³
4. Jordan; ²⁴
5. Maldives; ²⁵
6. Namibia. ²⁶

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- ¹² Progress report - Australia, 5134/2020 EU RESTRICTED
¹³ Progress report - Cook Islands, 5136/2020 EU RESTRICTED
¹⁴ Progress report - Antigua and Barbuda, 5133/2020 EU RESTRICTED
¹⁵ Progress report - Saint Kitts and Nevis, 5135/2020 EU RESTRICTED
¹⁶ Progress report - Botswana, 5367/2020 EU RESTRICTED
¹⁷ Progress report - Belize, 5358/20 EU RESTRICTED
¹⁸ Progress report - Barbados, 5357/20 EU RESTRICTED
¹⁹ Progress report - Collective Investment Vehicles, 5170/20 EU RESTRICTED
²⁰ Progress report - Collective Investment Vehicles, 5170/20 EU RESTRICTED
²¹ Progress report - Botswana, 5137/20 EU RESTRICTED
²² Progress report - Eswatini, 5150/20 EU RESTRICTED
²³ Progress report - Jordan, 5144/20 EU RESTRICTED
²⁴ Progress report - Thailand, 5145/20 EU RESTRICTED
²⁵ Progress report - Maldives, 5147/20 EU RESTRICTED
²⁶ Progress report - Namibia, 5146/20 EU RESTRICTED

II. REMAINING OPEN ISSUES

a) Cut-off date

It is to be noted that the subgroup of 24 January 2020 considered that the cut-off date for any new developments that require technical analysis should be 3 February 2020. In case of issues that have already been examined by the COCG and where merely a formality is pending, the cut-off date would be 11 February 2020.

b) Jurisdictions

The COCG will need to conclude the assessment of the following jurisdictions:

1) Collective Investment Vehicles

The subgroup of 16 January 2020 discussed the progress report on Collective Investment Vehicles.²⁷ The delegations agreed with the suggestions of the Commission as contained in the report with two caveats that need to be followed up by COCG:

- As regards Bahamas, it was agreed that Bahamas should remain on Annex II for criterion 2.2 unless it manages to adopt the agreed reform before ECOFIN meeting of 18 February 2020, taking into account the substantial reforms already adopted and Bahamas' special circumstances after storm Dorian.
- **NOT DECLASSIFIED**

The COCG is invited to take stock of developments in the Bahamas **NOT DECLASSIFIED**

²⁷ Progress report - Collective Investment Vehicles, 5170/20 EU RESTRICTED

NOT DECLASSIFIED

6) British Virgin Islands

The subgroup of 24 January 2020 agreed with the Commission assessment²⁸ that BVI has not addressed the concerns that COCG had raised with BVI's guidance on criterion 2.2 by the deadline of 9 January 2020

The COCG is invited to take stock of the situation.

²⁸ Progress Report - British Virgin Islands, 5359/20 EU RESTRICTED

7) Morocco

The subgroup of 24 January 2020 agreed with the Commission assessment²⁹ as regards the three regimes that Morocco has in place. The open issue concerned the Exporters' regime. The subgroup agreed that Morocco would be invited to confirm that the grandfathering period would be limited to 3 years or to provide evidence of the need for a longer convergence period.

The COCG is invited to take stock of the situation.

²⁹ Progress Report - Morocco, 5368/20 EU RESTRICTED

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