



Tax updates : EU list of non-cooperative jurisdictions for tax purposes

What are the Blacklist and Greylist?

Twice a year, the EU Commission publishes its so-called list of non-cooperative jurisdictions (Blacklist) and countries that have committed to implement tax good governance principles (Greylist)

The Blacklist and Greylist aim to promote legislative changes in countries to make them adhere to best practices by means of cooperation. EU Member States are encouraged to take efficient defensive tax and non-tax measures towards jurisdictions considered as non-cooperative (e.g., increased withholding taxes, and denial of tax relief with respect to dividends received from such jurisdictions).

The EU Blacklist now includes 16 countries: American Samoa, Anguilla, Antigua & Barbuda, the Bahamas, Belize, Fiji, Guam, Palau, Panama, the Russian Federation, Samoa, Seychelles, Trinidad and Tobago, the Turks and Caicos Islands, the U.S. Virgin Islands and Vanuatu.

The EU Greylist includes Albania, Armenia, Aruba, Botswana, The British Virgin Islands, Costa Rica, Curaçao, Dominica, Eswatini, Hong Kong, Israel, Malaysia, Turkey, Vietnam. The next revision of the lists are scheduled for February 2024.



What should I do

If you are dealing with countries on the Blacklist, your tax incentives can be denied.

You should review the updated lists and consider the adverse consequences for entities located in impacted jurisdictions. **The following measures (non-exhaustive) are aimed at EU blacklisted jurisdictions:**

- Annual reporting obligation for payments above EUR 100,000
- Stricter application of the Belgian CFC rule:
- Non-application of the dividend received deduction (DRD) and capital gains on shares exemption
- Public CbCR reporting on a jurisdictional basis for blacklisted countries

A mention on the Greylist during two consecutive years results in jurisdictional public CbCR reporting for the concerned greylisted country.



How PwC can assist your company

The EU's blacklist and greylist result in action by EU jurisdictions. The lists continue to clearly impact the behaviours of jurisdictions and, as a result,

organisations that do business in those jurisdictions.

PwC assists businesses in considering the raft of new substance requirements that have been introduced in various jurisdictions. We help businesses consider the impact of the existence on the list of jurisdictions commonly found in commercial arrangements both in terms of disclosure requirements and potential tax cash out.