

UPDATE

British Virgin Islands 'whitelisted' by the EU

The European Union (EU) has recognised the British Virgin Islands (BVI) as a fully compliant jurisdiction for tax purposes

Background

In December 2017, as part of its strategy to promote tax transparency and fair taxation, and to implement measures agreed by the OECD to stop base erosion and profit shifting (BEPS), the EU Council established a list of non-cooperative jurisdictions for tax purposes. Annex I to this list, known as the 'black list', includes jurisdictions that have not engaged in a constructive dialogue with the EU on tax governance, or which have failed to deliver on their commitments to implement reforms to comply with the EU's criteria on time.

In March 2018, the BVI was placed on Annex II to the list of non-cooperative jurisdictions, or the 'grey list', being a list of jurisdictions not compliant with all international standards but which are considered to be cooperative and which have committed to reform.

Removal from the grey list

Since being placed on the grey list, the BVI has enacted the statutory and regulatory measures required to meet the commitments made to the EU, including legislation addressing economic substance requirements and the regulation of private investment funds.

As a result, the BVI was removed from the grey list by the EU Council on 18 February 2020, confirming that the EU considers the BVI to be a fully compliant jurisdiction for tax purposes.

The BVI's response to the grey-listing and continued dialogue with the EU reflects the BVI's ongoing commitment to meeting and exceeding international standards, reinforcing the position of BVI as a world leading financial services centre.

Next steps

For more information, please see our guide on [BVI economic substance legislation](#) and our [Caribbean Regulatory Update](#).

If you have any questions, please get in touch with your usual Mourant contact or, alternatively, please see the contacts named below.

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