

# Legal Briefings

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## British Virgin Islands: BVI REMOVED FROM EU LIST OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES

October 2023

The British Virgin Islands (BVI) has been removed from the European Union (EU) list of non-cooperative jurisdictions for tax purposes.

The EU press release states: “**British Virgin Islands** was removed from the list as it has amended its framework on exchange of information on request (criterion 1.2) and will be reassessed in accordance with the OECD standard. Pending this reassessment this jurisdiction has been included in Annex II.”

This is great news for the BVI as a leading offshore financial centre because it reflects the extensive work the BVI government and stakeholders have undertaken to meet the international standard as set out by the OECD Global Forum regarding the exchange of information on request.

### Background

The EU list of non-cooperative jurisdictions for tax purposes was established in December 2017. It is part of the EU's external strategy on taxation and aims to contribute to ongoing efforts to promote tax good governance worldwide.

Jurisdictions are assessed on the basis of a set of criteria laid down by the EU Council. These criteria cover tax transparency, fair taxation and implementation of international standards designed to prevent tax base erosion and profit shifting. The chair of the code of conduct group conducts political and procedural dialogues with relevant international organisations and jurisdictions, where necessary.

### Background to the BVI listing

On 9 November 2022, the OECD Global Forum published its second-round Peer Review Report on the BVI which downgraded the jurisdiction's rating from 'largely compliant' to 'partially compliant'. A rating below 'largely compliant' means a jurisdiction is automatically added to the European Union (EU) List of non-cooperative jurisdictions for tax purposes.

The 'partially compliant' rating given to the BVI covered the period from 1 March 2016 to 30 June 2020 for the exchange of information requests received (including a 'block period' from 1 September 2017 to 31 December 2018 due to the impact of Hurricane Irma) and assessed the legal and regulatory framework in place as of 9 September 2022.

Critically, the rating did not consider the legislative changes that were put in place in 2022 (including **BVI Business Companies Amendment Act 2022**, and **BVI Business Amendment Regulations 2022**) and which came into force on 1 January 2023.

## Further Assistance

This publication is not intended to be a substitute for specific legal advice or a legal opinion. If you require further advice relating to the matters discussed in this Briefing, please contact us. We would be delighted to assist.

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