



## STATEMENT BY THE CARIBBEAN COMMUNITY (CARICOM) ON EU LIST OF NONCOOPERATIVE TAX JURISDICTIONS

**(CARICOM Secretariat, Turkeyen, Greater Georgetown, Guyana)** The Caribbean Community (CARICOM) strongly objects to the disappointing decision of the European Union to “blacklist” four CARICOM jurisdictions under the guise that they maintain harmful preferential tax regimes or have failed to comply with international standards for tax transparency and good governance. This classification will significantly damage the reputation of these jurisdictions even if they are eventually removed from the list. The classification perpetuates a false narrative that ignores the continued and diligent efforts made by CARICOM Member States to comply with the onerous regulatory measures, and standards for tax transparency, accountability and cooperation, enunciated by the Organization of Economic Cooperation and Development (OECD) and associated institutions such as the Global Forum and the Financial Action Task Force (FATF).

The Caribbean Community considers the EU unilateral screening process to be unjust and inequitable since it has not been applied to its own Members nor subject to peer review examination. The process involves an assessment of a country’s tax regime against criteria, which in their entirety, go beyond the generally acceptable international tax transparency and accountability standards, compliance with which, CARICOM States have worked assiduously over the past several years. Implementation of the expanded scope of the EU’s criteria requires domestic legislative and administrative changes that go beyond the timelines set by the EU Code of Conduct Group. Moreover, such reforms cannot be undertaken by our small jurisdictions without considerable technical assistance due to significant capacity constraints.

The decision to apply both non-tax and tax related defensive measures is also of great concern to CARICOM Member States, particularly as it seeks to coerce compliance with screening benchmarks that have been unilaterally determined by the EU and that are not applicable to its own Members. The recommended non-tax and tax-related defensive measures will serve as a deterrent to much-needed existing and new foreign private investments that are required to grow our small, highly- vulnerable economies and promote sustainable development. In addition to being harmful, these recommendations are inconsistent with the objectives and principles enshrined in the EU-CARICOM Economic Partnership Agreement.

The Caribbean Community recognizes the right of every State to protect its revenue base but the determination of standards, which might be adopted by other States, must be undertaken in a mutually inclusive process. Therefore, the Caribbean Community calls upon the EU to desist from the imposition of any defensive measures and to enter an early dialogue with CARICOM States as a group with a view to agreeing on benchmarks for good tax governance that could be applied in a fair and equitable manner, taking account of the economic circumstances and capacity of all their jurisdictions.

CFATF Secretariat  
Thursday, 11 January 2018

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