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## **REPORT**

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From: General Secretariat of the Council  
To: Delegations  
Subject: Code of Conduct Group report to the Council on the update of the EU list

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### **I. INTRODUCTION**

1. On 10 October 2025, the Council updated the EU list of non-cooperative jurisdictions for tax purposes (Annex I) and the state of play with respect to commitments taken by cooperative jurisdictions to implement tax good governance principles (Annex II)<sup>1</sup> initially endorsed by the Ecofin Council on 5 December 2017<sup>2</sup> and subsequently revised by the Council on 23 January 2018,<sup>3</sup> 13 March 2018,<sup>4</sup> 25 May 2018<sup>5</sup>, 2 October 2018,<sup>6</sup> 6 November 2018,<sup>7</sup> 4 December 2018,<sup>8</sup> 12 March 2019,<sup>9</sup> 22 May 2019,<sup>10</sup> 14 June 2019,<sup>11</sup> 17 October 2019,<sup>12</sup>

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<sup>1</sup> OJ C, C/2025/5613, 17.10.2025.

<sup>2</sup> OJ C 438 2017, p. 5-24.

<sup>3</sup> OJ C 29 2018, p. 2.

<sup>4</sup> OJ C 100 2018, p. 4-5.

<sup>5</sup> OJ C 191 2018, p. 1-3.

<sup>6</sup> OJ C 359 2018, p. 3-5.

<sup>7</sup> OJ C 403 2018, p. 4-6.

<sup>8</sup> OJ C 441 2018, p. 3-4.

<sup>9</sup> OJ C 114 2019, p. 2-8.

<sup>10</sup> OJ C 176, 22.5.2019, p.2.

<sup>11</sup> OJ C 210, 21.6.2019, p.8.

<sup>12</sup> OJ C 351, 17.10.2019, p. 7.

8 November 2019<sup>13</sup>, 5 December 2019<sup>14</sup>, 18 February 2020<sup>15</sup>, 6 October 2020<sup>16</sup>,  
22 February 2021<sup>17</sup>, 5 October 2021<sup>18</sup>, 24 February 2022<sup>19</sup>, 4 October 2022<sup>20</sup>, 14 February  
2023<sup>21</sup>, 17 October 2023<sup>22</sup>, 20 February 2024<sup>23</sup>, 8 October 2024<sup>24</sup> and 18 February 2025<sup>25</sup>.

2. As agreed by the Ecofin Council in its conclusions of 12 March 2019, as from 2020 onwards, updates of the EU list should be done no more than twice a year.
3. In its conclusions of 10 October 2025<sup>26</sup> the Ecofin Council underlined the importance of promoting and strengthening tax good governance standards, including in the area of fair taxation and tax transparency, and of fighting against tax fraud, evasion and avoidance, both at the EU level and globally. The Council appreciated the continuous productive cooperation on tax matters between the Code of Conduct Group on Business Taxation and most jurisdictions around the world.
4. In its conclusions of 12 December 2025<sup>27</sup> the Ecofin Council acknowledged the positive impact of the Code of Conduct and the Group's efforts in mitigating harmful tax practices, contributing to the reduction of preferential tax regimes both within the EU and globally. The Council welcomed the progress achieved by the Code of Conduct Group in the revision of the EU list of non-cooperative jurisdictions in October 2025 and encouraged the Group to maintain an effective dialogue with jurisdictions, monitoring, and screening, to support their compliance with the EU listing criteria and fulfilment of commitments within the agreed deadlines.

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<sup>13</sup> OJ C 386, 14.11.2019, p.2.

<sup>14</sup> OJ C 416, 11.12.2019, p.10.

<sup>15</sup> OJ C 64 2020, p. 8-14.

<sup>16</sup> OJ C 331 2020, p. 3-5.

<sup>17</sup> OJ C 66, 26.2.2021, p. 40-45.

<sup>18</sup> OJ C 413I, 12.10.2021, p. 1-4.

<sup>19</sup> OJ C 103, 3.3.2022, p. 1-4.

<sup>20</sup> OJ C 391, 12.10.2022, p. 2-5.

<sup>21</sup> OJ C 64, 21.2.2023, p. 17-22.

<sup>22</sup> OJ C, C/2023/437, 23.10.2023.

<sup>23</sup> OJ C, C/2024/1804, 26.2.2024.

<sup>24</sup> OJ C, C/2024/6322, 18.10.2024.

<sup>25</sup> OJ C, C/2025/1473, 28.2.2025.

<sup>26</sup> OJ C, C/2025/5613, 17.10.2025.

<sup>27</sup> Doc. 16029/25.

5. The Council also welcomed progress made by jurisdictions to reform their foreign-source income exemption (FSIE) regimes and recognised the Group's continuous monitoring of no or only nominal tax jurisdictions for the effective implementation of economic substance requirements to companies and other entities that fall within the scope of criterion 2.2.
6. In that spirit, the Code of Conduct Group ('the Group') continued interactions and dialogues with the relevant jurisdictions through its elected Chair (Ms María José Garde Garde), supported by the General Secretariat of the Council and with technical assistance of the Commission services. The Subgroup on external issues met on 15 January 2026, and the Code of Conduct Group met on 28 January 2025, to prepare the planned revision of the list.
7. In the light of the above, and based on an objective assessment of the most recent developments, the February 2026 update of the EU list should, as appropriate, allow the Council to:
  - list in Annex I jurisdictions which do not comply with the requirements of the EU listing criteria for jurisdictions which are under screening, or have declined to make appropriate commitments to comply with the EU listing criteria;
  - remove from Annex I jurisdictions that addressed pending issues;
  - include in Annex II jurisdictions which have made commitments to cooperate with the EU and to take the necessary steps towards complying with one or more EU listing criteria that their systems have been found to be inconsistent with;
  - remove from Annex II jurisdictions that fulfilled their commitments.

## I. UPDATES OF ANNEX I

### – *Listing*

8. Regarding the monitoring of the implementation of economic substance legislation, in July 2021 the Group agreed to take stock of the assessment by the Forum on Harmful Tax Practices (FHTP) of no or only nominal tax jurisdictions to the extent that the EU criterion 2.2 and the FHTP standard overlapped in terms of scope and jurisdictions concerned. In light of this assessment, the COCG decided in 2021 to send a letter to Turks and Caicos Islands, because it had failed to meet one or more of the requisite standards and were therefore “urged” by the FHTP to take action. In this context, Turks and Caicos Islands made a commitment in January 2022 to address the issues identified by the FHTP. As the issues persisted at the following monitoring cycle, Turks and Caicos was added to Annex I in October 2022. In October 2023, the monitoring conducted by the FHTP confirmed that the jurisdiction had undertaken some appropriate actions to address the deficiencies identified but that improvements were still needed. This allowed the COCG to consider this jurisdiction compliant with the standard and removed it from Annex I in February 2024.
9. In its most recent meeting on 24 and 25 November 2025, the FHTP decided to urge Turks and Caicos Islands ‘to further undertake compliance actions and to ensure the compliance actions are followed by sanctions where appropriate’. In the light of this ‘hard’ recommendation, the Group recommends including Turks and Caicos Islands in the EU list of non-cooperative jurisdictions for tax purposes (Annex I).
10. On 10 November 2025, the Global Forum on Transparency and Exchange of Information for Tax Purposes (‘Global Forum’) issued a peer review report analysing the implementation of the standard of transparency and exchange of information on request (EOIR) in Viet Nam. This peer review report assigned an overall rating ‘non-compliant’ with the standard to Viet Nam. In accordance with the revised approach on criterion 1.2 agreed in 2024<sup>28</sup>, the Group suggests including Viet Nam in Annex I.

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<sup>28</sup> ST 16328/24.

11. Furthermore, the 2025 BEPS Inclusive Framework Action 13 Peer Review Report, published on 23 September 2025, issued to Viet Nam two general recommendations on parts B(1) and B(2) of the country-by-country reporting (CBCR) terms of reference. Under the EU listing criterion 3.2 on CBCR, the jurisdiction was therefore asked for a commitment at ministerial level to address these recommendations within a timeframe which would allow them to be reflected in the Action 13 Peer Review Report in the autumn of 2027. Viet Nam replied with a letter with a commitment on 8 December 2025. This commitment should be included in Viet Nam's entry in Annex I.

– *Delisting*

12. Fiji was included in Annex I in March 2019 after failing to fulfil its commitments under several criteria, including criterion 1.3 (signature and ratification of the OECD multilateral convention on mutual administrative assistance in tax matters - MAC) and criterion 2.1 (existence of harmful tax regimes). Fiji signed the MAC on 15 January 2026 and subsequently accepted it, and should therefore be deemed compliant with criterion 1.3.

13. In February 2025, the Group decided to recommend maintaining Fiji's 'Income Communication Technology (ICT) Incentive' regime in its entry in Annex I until the FHTP reached a final conclusion that the Group would consider in due time, and noted that another harmful regime ('Export Income Deduction') also fell within the scope of the FHTP as far as geographically mobile activities were concerned. At its meeting on 24 and 25 November 2025, the FHTP concluded that both regimes concerned are abolished. Fiji should therefore also be deemed compliant with criterion 2.1, and the Group therefore recommends delisting Fiji from Annex I.

14. Samoa was listed in Annex I in December 2017 due to non-compliance with criterion 2.1 (harmful preferential tax regime) and 3.1 (application of BEPS minimum standards). Samoa became a member of the OECD/G20 BEPS Inclusive Framework in 2020-2021, resulting in the deletion of the reference to criterion 3.1 in the entry in Annex I in February 2021. On 20 January 2026, Samoa abolished its harmful preferential tax regime (Offshore Business). The relevant bill received the formal assent of the Head of State on 21 January 2026. The Group therefore recommends removing Samoa from Annex I.

15. In December 2017, Trinidad and Tobago was included in the EU list of non-cooperative jurisdictions for tax purposes. In February 2025, its entry in Annex I was amended to reflect that Trinidad and Tobago had failed to fulfil its commitment to receive a determination of at least ‘In place, but needs improvement’ on core requirements 1 and 2 in the Global Forum peer review report on automatic exchange of financial account information (AEOI). In its most recent peer review report, published on 2 December 2025, the Global Forum has upgraded its relevant determination for Trinidad and Tobago to ‘In place, but needs improvement’. Therefore, the Group recommends removing Trinidad and Tobago from Annex I.

– Other changes

16. On 4 December 2025, the US Department of the Treasury submitted to the Code of Conduct Group Chair a letter presenting the latest developments with respect to tax transparency in American Samoa which is included in Annex I for being non-compliant with tax transparency criteria 1.1 and 1.3. The jurisdiction was delisted for criterion 3 (anti-BEPS measures) in February 2025. The letter elaborates on the latest and forthcoming steps by American Samoa in meeting criterion 1.1 and criterion 1.3, in particular regarding criterion 1.3.

17. With regard to criterion 1.3 the Group welcomes the additional clarifications provided by the US Treasury regarding the legal basis for the exchange of information held by a person in the U.S. territories that is provided by the unamended MAC and the US bilateral tax treaties, in the absence of the possibility for the US territories to enter into international agreements, and considers that the US territories, including American Samoa, can be considered compliant for this criterion. The Group therefore recommends removing the reference to criterion 1.3 in the entry on American Samoa in Annex I.

18. On 4 December 2025, the US Department of the Treasury also submitted to the Code of Conduct Group Chair a letter presenting the latest developments with respect to tax transparency in the US territory Guam, which is included in Annex I for being non-compliant with tax transparency criteria 1.1 and 1.3. The letter elaborates on the latest and forthcoming steps by the jurisdiction in meeting criterion 1.1 and criterion 1.3, in particular the amendment of the tax coordination agreements between the US and the jurisdiction and the administrative arrangements concluded between the IRS and the jurisdiction’s tax authorities.

19. With regard to criterion 1.1, the Group welcomes the significant steps the US Treasury and the jurisdiction concerned have taken to set up arrangements for an automatic exchange of Guam source information on financial accounts through the US tax treaty network. The dialogue with the US Treasury will be continued in order to conclude competent authority agreements or any other legal instrument needed with EU Member States, with a view to achieving results to be taken into account in future updates of the EU list.
20. With regard to criterion 1.3, the Group welcomes the additional clarifications provided by the US Treasury regarding the legal basis for the exchange of information held by a person in the U.S. territories that is provided by the unamended MAC and the US bilateral tax treaties, in the absence of the possibility for the US territories to enter into international agreements, and considers that the US territories, including Guam, can be considered compliant for this criterion. The Group therefore recommends removing the reference to criterion 1.3 in the entry on Guam in Annex I.
21. On 4 December 2025, the US Department of the Treasury also submitted to the Code of Conduct Group Chair a letter presenting the latest developments with respect to tax transparency in the US Virgin Islands, which is included in Annex I for (i) being non-compliant with tax transparency criteria 1.1 and 1.3 and (ii) the existence of three harmful preferential tax regimes in US Virgin Islands (criterion 2.1). The letter elaborates on the latest and forthcoming steps by the US Virgin Islands in meeting criterion 1.1 and criterion 1.3, in particular the amendment of the tax coordination agreements between the USA and the jurisdiction and the administrative arrangements concluded between the IRS and the jurisdiction's tax authorities.
22. With regard to criterion 1.1, the Group welcomes the significant steps the US Treasury and the jurisdiction concerned have taken to set up arrangements for an automatic exchange of US Virgin Islands source information on financial accounts through the US tax treaty network. The dialogue with the US Treasury will be continued in order to conclude competent authority agreements or any other legal instrument needed with EU Member States, with a view to achieving results to be taken into account in future updates of the EU list.

23. With regard to criterion 1.3, the Group welcomes the additional clarifications provided by the US Treasury regarding the legal basis for the exchange of information held by a person in the U.S. territories that is provided by the unamended MAC and the US bilateral tax treaties, in the absence of the possibility for the US territories to enter into international agreements, and considers that the US territories, including US Virgin Islands, can be considered compliant for this criterion. The Group therefore recommends removing the reference to criterion 1.3 in the entry on the US Virgin Islands in Annex I.

## II. UPDATES OF ANNEX II

### a) Automatic exchange of information (criterion 1.1)

*– Commitment to implement the automatic exchange of information, either by signing the Multilateral Competent Authority agreement or through bilateral agreements*

24. In accordance with the Council conclusions agreed by Ecofin on 18 February 2020, Türkiye was given a deadline until 31 December 2020 to comply with the requirements for effective exchanges of information under the OECD Common Reporting Standard (which corresponds to criterion 1.1 under the EU list).

25. This deadline extension followed the engagement of Türkiye with the Code of Conduct Group for business taxation in 2019 and their reassurances that progress would be made by end of 2020. In its Conclusions of 22 February 2021, the Council took note of the state of play and regretted that Türkiye had not made material progress in the effective implementation of the automatic exchange of information with all EU Member States. The Council reiterated that the effective exchange of information with all Member States is a condition for Türkiye to comply with criterion 1.1 of the EU list in accordance with the Council conclusions of February 2020. In its conclusions of February 2021, the Council called on Türkiye to fully commit at a high political level by 31 May 2021 to effectively activate automatic information exchange relationships with the 6 remaining Member States by 30 June 2021. The Council also called on Türkiye to send to all Member States information for fiscal year 2019 no later than by 1 September 2021. Finally, the Council conclusions called on Türkiye to send such information for fiscal years 2020 and 2021 in accordance with the OECD calendar for the automatic exchange of information with all Member States and no later than by, respectively, 30 September 2021 and 30 September 2022.

26. In its conclusions of 5 October 2021, the Council took note of the commitment that Türkiye undertook on 19 May 2021 to effectively activate automatic information exchange relationships by 30 June 2021 with all Member States with which Türkiye has diplomatic relations and underlined that further engagement and technical work on effective exchange of data from Türkiye towards all Member States will be required to meet the agreed international standard and fully comply with the conclusions of the Ecofin Council of 22 February 2021.
27. In its conclusions of 24 February 2022, the Council considered that the progress made by Türkiye is still not fully in line with the Conclusions of the Ecofin Councils of 22 February 2021 and 5 October 2021 and called on Türkiye to begin or continue the technical work on the effective exchange of data from Türkiye with all Member States to meet the agreed international standards and fully comply with the requirements set in the abovementioned conclusions of the Ecofin Councils. The Council reiterated that the effective automatic exchange of information with all Member States according to the OECD calendar and standard is a condition to fulfil criterion 1.1 of the EU list and to fully comply with the requirements set out in the above-mentioned Council conclusions.
28. In its conclusions of 4 October 2022, the Council took note of the effective automatic information exchange relationships between Türkiye and the Member States, regretted that Türkiye had not made any progress with one Member State, reiterated its call on Türkiye to begin or continue the effective exchange with all Member States and to fully comply with the requirements set in the Conclusions of the Ecofin Council of 22 February 2021, 5 October 2021 and 24 February 2022. The Council reiterated that the effective automatic exchange of information with all Member States in accordance with the OECD calendar and international standards and as set in the relevant Ecofin Council conclusions is a condition for Türkiye to fulfil criterion 1.1 of the EU list.

29. In its conclusions of 14 February 2023, subsequently reiterated in its conclusions of 17 October 2023, 26 February 2024, 8 October 2024, 18 February 2025 and 10 October 2025, the Council regretted that Türkiye did not make any progress with one Member State on the effective exchange of information, reiterated its call on Türkiye to begin the outstanding automatic information exchange relationships with one Member State and to fully comply with the requirements set in the conclusions of the Ecofin Council of 22 February 2021, 5 October 2021, 24 February 2022 and 4 October 2022. The Council reiterated that the effective automatic exchange of information with all Member States is a condition for Türkiye to fulfil criterion 1.1 of the EU list.

30. The Group notes that Türkiye is still not in line with the commitments required under the above-mentioned Council conclusions with regard to the exchange of information with all Member States. Therefore, the reference to Türkiye should be maintained in section 1.1 of Annex II.

*b) Exchange of information on request (criterion 1.2)*

31. On 19 July 2023, the Global Forum published the outcome of its peer review process to assess Antigua and Barbuda's compliance with international standards for EOIR. In that context, Antigua and Barbuda received a "partially compliant" rating in the second-round review. In September 2024, the Global Forum decided to grant Antigua and Barbuda an in-depth review. Pending the outcome of this review, Antigua and Barbuda was included in Annex II. The in-depth review published by the Global Forum on 21 January 2026 assigned an improved rating of "largely compliant" to Antigua and Barbuda. The reference to Antigua and Barbuda with regards to criterion 1.2 should therefore be removed from the relevant section in Annex II.

32. In July 2023, the Global Forum rated Seychelles "partially compliant" in the second-round peer review of its compliance with the international standard on exchange of information on request. In February 2024, the Global Forum decided to grant Seychelles a supplementary review (now categorised as an in-depth review). Pending the outcome of this review, Seychelles was included in Annex II. The results of the in-depth review published by the Global Forum on 21 January 2026 assigned an improved rating of "largely compliant" to Seychelles. The reference to Seychelles should therefore be removed from the relevant section in Annex II.

c) Existence of harmful preferential tax regimes (criterion 2.1)

33. In February 2025, a commitment from Brunei Darussalam to amend or abolish its foreign-source income exemption (FSIE) regime was recorded in Annex II. On 7 January 2026, this jurisdiction sent a letter to the COCG Chair requesting an additional six months to complete the main part of the FSIE reform, and twelve months to include foreign-source capital gains in the reform. In consideration of the deadlines for FSIE reforms established in similar cases in the past, the progress with the reform as demonstrated in draft legislation as well as a detailed timeline for the implementation of the reform shared with the Group, the Group agrees to grant Brunei an extension of six months to reform its FSIE regime in its entirety to comply with the COCG criteria, including on the inclusion of foreign-source capital gains with the retroactive effect as of 1 January 2026. The new deadline should be duly reflected in the relevant section in Annex II.

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