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## REPORT

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From: General Secretariat of the Council  
To: Delegations  
Subject: Code of Conduct Group (Business Taxation)  
- Report to the Council

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**Report**  
**on the progress achieved by the Code of Conduct Group (Business Taxation)**  
**during the Cyprus Presidency**

**I. BACKGROUND**

1. On 1 December 1997, the Council and the representatives of the Governments of the Member States, meeting within the Council, adopted a resolution on a Code of Conduct for business taxation. That resolution provides for the establishment, within the framework of the Council, of a group to assess tax measures that may fall within the Code. On 9 March 1998<sup>1</sup>, the Council confirmed the establishment of the Code of Conduct Group (Business Taxation). On 8 November 2008, the Council reformed the Code of Conduct. The resolution provides that the Code of Conduct Group (hereafter "the COCG" or "the Group") "*will report regularly on the measures assessed*" and that "*These reports will be forwarded to the Council for deliberation. They will include the agreed descriptions and final assessments of the tax measures it has examined. Final documents, as approved by the Council, will be made public, as appropriate, in accordance with relevant rules.*" (paragraph H).
2. In its conclusions of 8 December 2015<sup>2</sup>, the Council expressed the wish to improve the visibility of the work of the COCG and agreed "*that its results, in particular its 6-monthly reports, are systematically made available to the public*" (paragraph 16).
3. In its conclusions of 8 March 2016,<sup>3</sup> the Council furthermore called "*for having more substantial 6-monthly Group reports to ECOFIN, reflecting the main elements and views, which were discussed under specific items and reporting also on the monitoring concerning (non-) compliance with agreed guidance*" (paragraph 16).
4. This report from the COCG encompasses its work in the first half of 2026 during the Cyprus Presidency of the Council. Previous reports, guidelines and other related documents can be found on the Council website (Code of Conduct Group)<sup>4</sup>.

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1 6619/98.

2 15148/15.

3 6900/16.

4 <https://www.consilium.europa.eu/en/council-eu/preparatory-bodies/code-conduct-group>

## **II. GENERAL ASPECTS**

### **A. Organisation of work**

5. In the first half of 2026, the COCG continued to fulfil its mandate in accordance with the agreed multiannual work package and the work programme, and the guidance from the Ecofin Council, in particular that provided in December 2025<sup>5</sup> and February 2026<sup>6</sup>. The chair, Ms Maria José Garde Garde, Director-General for Taxation at the Ministry of Finance of Spain, resigned with effect from 11 March 2026. The first vice-chair performed the role until a new chair was elected. At the COCG meeting held on 21 May 2026, Ms Tina Humar, Director General in the Directorate for the System of Tax, Customs and Other Public Finance Revenues, Ministry of Finance of Slovenia, was elected as the new chair of the COCG.
6. Meetings of the COCG were held on 28 January and 21 May 2026, and meetings of the subgroup were held on 15 January, 13 March and 27 April 2026.
7. At the COCG meeting on 28 January 2026, Ms Irini Manti (Cyprus) and Ms Hazel Ryan (Ireland) were appointed as vice-chairs.

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<sup>5</sup> 16029/25.

<sup>6</sup> 5869/26.

### III. STANDSTILL AND ROLLBACK REVIEW PROCESS

8. A call for standstill and rollback notifications of new preferential tax measures enacted by the end of 2025 was launched in November 2025, and the results were presented at the COCG meeting on 13 March 2026. The following regimes were notified<sup>7</sup>:

- Belgium: Investment deduction tax regime (amendment to BE005);
- Denmark: Temporary increase in the depreciation base for eligible investments into new operating assets (DK009);
- Ireland: Amendments to existing Digital Games Tax Credit (IE017);
- Italy: Tax credit for investments in the Single Economic Zone (IT025);
- Lithuania: Amendments to the existing CIT tax for companies implementing a large-scale project (LT009);
- Slovenia: Special tax rate for the income of investment funds (SI016);
- Slovenia: Special tax incentive for Employee Stock Ownership Scheme (SI017).

#### A. Standstill review process

9. With regard to Slovenia's measure 'Special tax rate for the income of investment funds' (SI016), the Group agreed with Commission's suggestion not to assess that measure as taxation of investment funds in the Member States has not been dealt with by the COCG so far.

10. The following decisions were reached by the Group:

- On Denmark's 'Temporary increase in the depreciation base for eligible investments into new operating assets' (DK009)<sup>8</sup>, the Group agreed that the measure does not need to be assessed;

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<sup>7</sup> See updated overview as set out in document 8602/12/20 REV 12.

<sup>8</sup> 9626/26 ADD 1.

- On Italy's 'Tax credit for investments in the Single Economic Zone' (IT025)<sup>9</sup>, the Group agreed that the measure does not need to be assessed and no further data is required at this stage;
- On Slovenia's 'Special tax incentive for Employee Stock Ownership Scheme' (SI017)<sup>10</sup>, the Group agreed that the measure does not need to be assessed.

#### IV. MONITORING THE ACTUAL EFFECTS OF INDIVIDUAL MEASURES

11. In the first half of 2026, the Commission continued the presentation of the outcome of the monitoring of Member States' regimes for which data was provided for previous tax years up to and including 2023, with two measures.
12. The following decisions were reached by the Group:
  - On Lithuania's measure 'Tax Relief from CIT for investments in large projects'(LT009)<sup>11</sup>, the Group agreed to continue the monitoring;
  - On Poland's measure on the use of safe-harbour rules for intra-group financing<sup>12</sup> (2013 Guidance on intermediate financing or licensing activities), the Group agreed to terminate the monitoring.

#### **Other workstreams:**

Expenditure-based tax incentives (criterion 2)

13. Given the lack of consensus, no further proposal for a revised guidance on the use of expenditure-based tax incentives in SEZ has been considered by the Group during the Cyprus Presidency.

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<sup>9</sup> 9626/26 ADD 2

<sup>10</sup> 9626/26 ADD 3

<sup>11</sup> 9626/26 ADD 4

<sup>12</sup> 9626/26 ADD 5

## **V. THE EU LIST OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES**

### **A. Update of the EU list of non-cooperative jurisdictions for tax purposes**

14. In its conclusions of 12 December 2025, the Council (Ecofin) 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.
15. The Council appreciated the revision of the EU list of non-cooperative jurisdictions in October 2025 and invited the Group to further continue its effective dialogue with jurisdictions to ensure that they continue to fulfil their respective commitments and comply with the EU listing criteria in accordance with the agreed Annex II deadlines.
16. The Council welcomed the progress made by jurisdictions to reform their foreign-source income exemption (FSIE) regimes. It recognised the Group's continuous monitoring of no or only nominal tax jurisdictions to ensure the effective implementation of economic substance requirements to companies and other entities that fall within the scope of criterion 2.2.
17. The Council welcomed the work on the overview of Member States' implementation of tax defensive measures in respect of listed jurisdictions and the outcome of the first annual monitoring exercise and noted with appreciation the updated state of play on the implementation of the 2019 Guidance on tax defensive measures set out in Annex II to the report. It encouraged the Group to continue its work on evaluating the effectiveness of defensive measures in respect of listed jurisdictions.
18. The Council called on the Group to continue the work to incorporate beneficial ownership as a fourth transparency criterion and developing appropriate selection indicators for future modifications to the geographical scope of the EU list.

19. The COCG continued its dialogue with the relevant jurisdictions to assess recent developments and the implementation of their commitments, with a view to the periodical update of the EU list.
20. The latest revision of the list was prepared at the Group's meetings on 6 and 26 November 2025 and 15 January 2026 and finalised at the meeting on 28 January 2026. The updated EU list of non-cooperative jurisdictions for tax purposes was approved by the Council on 17 February 2026<sup>13</sup> and published in the Official Journal on 6 March 2026<sup>14</sup>.
21. A number of changes were made to the EU list of non-cooperative jurisdictions for tax purposes (Annex I) in the February 2026 update:
- Fiji, Samoa and Trinidad and Tobago were removed from the list. Fiji ensured compliance with criterion 1.3 by joining the OECD Multilateral Convention on Mutual Administrative Assistance as amended, and with criterion 2.1 by addressing the issues related to its two outstanding preferential tax regimes (Original Income Communication Technology (ICT) Incentive, Exporting Companies) as confirmed by the OECD's Forum on Harmful Tax Practices (FHTP). Samoa also reformed the harmful elements of its pending preferential tax regime (Offshore Business). In December 2025, the Global Forum on Transparency and Exchange of Information for Tax Purposes (hereafter 'the Global Forum') positively assessed the legislative framework put in place by Trinidad and Tobago for the implementation of the automatic exchange of information on financial accounts. This determination is sufficient to ensure compliance with criterion 1.1 of the EU list.

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<sup>13</sup> 5869/26.

<sup>14</sup> OJ C 2026/1465, 6.3.2026, page 5.

- Turks and Caicos Islands and Viet Nam were included in Annex I due to failure to comply with the criteria on fair taxation and tax transparency, respectively. On 10 November 2025, the Global Forum acknowledged the efforts made by Viet Nam with regards to the implementation of the standard of transparency and exchange of information on request (EOIR) but considered them insufficient, noting significant areas of deficiencies that resulted in lead to an overall ‘non-compliant’ rating. In accordance with the current COCG approach, this translated into non-compliance with criterion 1.2. At its meeting on 24 and 25 November 2025, the FHTP identified significant shortcomings in the effective implementation of economic substance legislation for companies by Turks and Caicos Islands, and issued a ‘hard’ recommendation on compliance actions. In the light of this, the Group found the jurisdiction to be non-compliant with criterion 2.2.

Following these changes, there are currently 10 jurisdictions listed in Annex I: American Samoa, Anguilla, Guam, Palau, Panama, Russian Federation, Turks and Caicos Islands, US Virgin Islands, Vanuatu and Viet Nam.

22. Other changes were made to Annex I:

- On 4 December 2025, the US Department of the Treasury submitted to the COCG Chair a letter presenting the latest and forthcoming steps by American Samoa, Guam and US Virgin Islands to meet criteria 1.1 and 1.3. With regard to criterion 1.3, the Group welcomed the additional clarifications and recommended removing the reference to criterion 1.3 in the entry on American Samoa, Guam and US Virgin Islands in Annex I. The Group concluded that further work was needed on criterion 1.1.

23. A number of changes were also made to Annex II in the February 2026 update:

- Antigua and Barbuda and Seychelles fulfilled their commitments under criterion 1.2 and were removed from Annex II.
- Brunei Darussalam’s entry in Annex II was updated to include a new deadline for completion of the reform of its harmful preferential tax regime (Foreign Source Income Exemption regime).

- Türkiye remains on Annex II for criterion 1.1 (automatic exchange of information) as it is still not fully in line with the commitments set out in the conclusions of the Council (Ecofin) of 22 February 2021, 5 October 2021, 24 February 2022, 4 October 2022, 14 February 2023, 17 October 2023, 20 February 2024, 8 October 2024, 18 February 2025, 10 October 2025 and 17 February 2026. Türkiye is expected to begin or continue technical work on the effective exchange of data with all Member States in order to meet the agreed international standards and fully comply with the requirements set out in the abovementioned Ecofin conclusions.

## **B. Monitoring of the implementation of commitments undertaken by jurisdictions**

### General overview

24. As of February 2026, the implementation of a total of 15 commitments<sup>15</sup> taken at a high political level by 13 jurisdictions<sup>16</sup> remains to be monitored by the Group:
- 4 pending commitments were recorded in the respective entries for jurisdictions listed in Annex I;
  - 11 other pending commitments taken by 9 jurisdictions on automatic exchange of information, exchange of information on request, harmful tax regimes and implementation of the CbCR minimum standard were detailed in dedicated sections on criteria 1.1, 1.2, 2.1 and 3.2 respectively in Annex II to the Council conclusions.

<b>Criterion</b>	<b>Number of jurisdictions committed</b>
1.1	3 (Annex II)
1.2	3 (Annex I) + 3 (Annex II)
2.1	2 (Annex II)
3.2	1 (Annex I) + 3 (Annex II)

<sup>15</sup> The figure shows the number of commitments by jurisdictions under each criterion (see table).

<sup>16</sup> Anguilla, Belize, British Virgin Islands, Brunei Darussalam, Greenland, Eswatini, Jordan, Montenegro, Morocco, Panama, Türkiye, Vanuatu and Viet Nam.

## Political and procedural dialogue

25. The Chair of the COCG continued to conduct political and procedural dialogues with relevant international organisations and jurisdictions, where necessary.
26. The Chair received a number of letters from jurisdictions and also held in-person meetings and videoconferences at a high political level with several of them. Delegations were informed about these interactions, and response letters signed by the Chair were agreed by the Group.

### **C. Screening and scoping issues**

#### Criterion 1.1 (peer reviews by the Global Forum with respect to the Automatic Exchange of Information on financial accounts (AEOI))

27. The Group agreed to send an advance notice letter to Morocco informing them that they have come in the scope of criterion 1.1 of the EU list after the jurisdiction was identified as a jurisdiction of relevance by the Global Forum in 2025. The Group also agreed to take stock of the Global Forum's determination on Morocco's legal frameworks (both domestic and international) once available.

#### Criterion 1.2 (peer reviews by the Global Forum with respect to the standard on Exchange of Information on request)

28. On 29 April 2026, the Global Forum published the outcome of its peer review process regarding Belize (in-depth review) and Vanuatu (supplementary review). Both jurisdictions have been rated as Largely Compliant. Belize is currently included in Annex II pending the outcome of its in-depth review. On this basis, the Group will thus recommend to remove Belize from Annex II at the next update of the EU list in October 2026. The Group will also recommend removing the reference to criterion 1.2 from the entry of Vanuatu in Annex I.

#### Criterion 2.1 (Foreign source income exemption regimes)

29. In October 2019, the Ecofin Council approved guidance on foreign source income exemption (FSIE) regimes in the framework of the EU listing exercise (criterion 2.1). This guidance acknowledges that FSIE regimes are a legitimate approach to prevent double taxation but identifies potentially harmful elements that may be present in such regimes.

30. In December 2019, the COCG Chair wrote to thirteen jurisdictions to inform them that a regime of this kind was identified in their jurisdiction. The Commission Services sent a follow-up questionnaire to nine jurisdictions in February 2020 with a deadline of 20 March 2020 to reply. It was agreed that four jurisdictions would be screened at a later stage.
31. All jurisdictions contacted responded to the questionnaire. The Commission Services analysed the replies and followed up where necessary. On this basis, the Commission prepared an overview of the work carried out so far, as well as country-specific progress reports.
32. On 19 May 2021, the COCG agreed to send letters to six jurisdictions from which it sought commitments to repeal or amend their harmful FSIE regimes. Five jurisdictions responded and confirmed their commitment to abolish or amend their regimes<sup>17</sup>. One jurisdiction did not express the requested commitment<sup>18</sup>. The remaining three jurisdictions<sup>19</sup> were deemed compliant under the EU listing criteria. The five jurisdictions who committed to amend or abolish their harmful FSIE regimes successfully amended their regimes in line with the COCG Guidance.
33. During the technical examinations of FSIE reforms, there was a need to clarify the language of the Guidance on FSIE on certain aspects, notably on the tax treatment of capital gains. Following this clarification of the Guidance on FSIE regimes in December 2022<sup>20</sup>, the Group decided to grant the two concerned jurisdictions<sup>21</sup> additional time, until the end of 2023, to amend their legislation on the tax treatment of capital gains with effect from 1 January 2024. Both jurisdictions subsequently amended their respective FSIE regimes in line with the updated Guidance.

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<sup>17</sup> Costa Rica, Hong Kong, Malaysia, Qatar and Uruguay.

<sup>18</sup> Panama.

<sup>19</sup> Maldives, Nauru and Singapore.

<sup>20</sup> 14674/22.

<sup>21</sup> Hong Kong and Malaysia.

34. Additionally, Brunei Darussalam was found to maintain a harmful FSIE regime which is lacking substance requirements and anti-abuse rules. Following a request from the Group in November 2024, Brunei committed at a high political level in January 2025 to amending or abolishing the regime. This commitment was recorded in Annex II during the February 2025 update of the EU list. In consideration of the deadlines for FSIE reforms established in similar cases in the past, the progress of the reform as demonstrated by draft legislation as well as a detailed implementation timeline provided by the jurisdiction, the Group agreed at its meeting on 28 January 2026 to grant Brunei an extension of six months (until 30 June 2026) to fully reform its FSIE regime in order to comply with the COCG criteria, including on the inclusion of foreign-source capital gains with retroactive effect from 1 January 2026. On 26 March 2026, Brunei shared a draft legislation amending the regime as regards the tax treatment of foreign-sourced capital gains. At its meeting on 27 April 2026, the subgroup had a preliminary discussion on the draft reform. On 21 May 2026, the Group agreed that the dialogue with Brunei will continue to ensure that the reform is fully in line with the COCG FSIE Guidance.
35. Panama has been added to Annex I for criterion 2.1 at the update of 5 October 2021 after failing to take a commitment to amend or abolish its harmful FSIE regime. Panama has engaged in a dialogue with the Group to address all outstanding issues. On 13 April 2026, Panama shared a draft legislation aimed to bring the regime fully in line with the COCG Guidance on FSIE regimes. At its meeting on 27 April 2026, the subgroup had a preliminary discussion on the main elements of the draft reform. On 21 May 2026, the Group agreed that the dialogue with Panama will continue to ensure that the final legislation is in line with the COCG FSIE Guidance and adopted within the agreed deadline 30 June 2026.

Criterion 2.2 (monitoring of economic substance requirements)

36. In July 2021, the Group decided to carry out the annual monitoring of the enforcement of economic substance requirements by jurisdictions within the scope of criterion 2.2<sup>22</sup>, ensuring synergy with the FHTP's parallel monitoring of no or only nominal tax jurisdictions.

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<sup>22</sup> These jurisdictions include the eleven no or only nominal tax jurisdictions (Anguilla, Bahamas, Barbados, Bahrain, Bermuda, British Virgin Islands, Cayman Islands, Guernsey, Isle of Man, Jersey, and Turks and Caicos Islands) and the Republic of Marshall Islands.

37. At its meeting on 2 June 2022, the Group decided that, from 2023 onwards, it would take into account the FHTP conclusions reached in the last quarter of the year before, in preparation of the update of the EU list in the first quarter of the year that would follow such conclusions. Following the FHTP meeting of 24-25 November 2025, the Group took stock of the FHTP conclusions regarding the monitoring of the enforcement of the economic substance requirements for companies. As the FHTP concluded that since the introduction on 21 May 2024 of its corporate income tax rate of 9% Barbados is no longer a no or only nominal tax jurisdiction, on 28 January 2026, the COCG agreed to remove this jurisdiction from the scope of criterion 2.2 and is now monitored under criterion 2.1 instead. The Group also took stock of the recommendations given by the FHTP to no or only nominal tax jurisdictions regarding the enforcement of the substantial activities requirements during the 2024 monitoring year. Two jurisdictions – Anguilla and the Turks and Caicos Islands, received ‘hard’ recommendations concerning exchange of information and compliance actions, respectively. In this regard, in accordance with the COCG established practice, ‘hard’ recommendations addressed to jurisdictions under the FHTP standard, which indicate significant deficiencies for companies in the enforcement of substantial activities requirements in practice, translate into non-compliance with criterion 2.2 of the EU list. In this light, the Group recommended to add a reference to the Turks and Caicos Islands in Annex I at the update of the EU list on 17 February 2026. The entry for Anguilla remained unchanged since the jurisdiction did not address the outstanding deficiencies from the last monitoring.

Monitoring of Economic Substance Requirements for Collective Investment Funds (CIVs) under criterion 2.2

38. In May 2018, the COCG agreed on Technical Guidance on Substance Requirements for Collective Investment Funds (CIVs) giving effect to a distinctive treatment for CIVs, in terms of economic substance requirements, in the Scoping Paper on criterion 2.2.

39. In September 2018, the COCG found that four jurisdictions (The Bahamas, Bermuda, British Virgin Islands and Cayman Islands) in the scope of the EU listing process had a “relevant” fund sector. It subsequently asked those jurisdictions to reform their funds’ framework in line with the Technical Guidance. The reforms, approved by the COCG, came into effect in these jurisdictions in 2020, i.e. one year later than other economic substance requirements (general substance requirements).
40. In May 2022, the COCG launched a targeted annual monitoring of the implementation of the enhanced framework on CIVs by the four jurisdictions concerned on the basis of a specific questionnaire. Given that CIVs are out of the scope of the FHTP standard, such monitoring would be led entirely by the Group with the technical assistance of the Commission.
41. At its meeting on 26 November 2025, the COCG assessed the findings of the fourth year of monitoring for CIVs based on the information collected for the year 2024 (i.e. the reporting period) in the four concerned jurisdictions. The Group agreed that no recommendations need to be addressed to the Bahamas, Bermuda and the British Virgin Islands, since they demonstrated sufficient progress by properly implementing the enhanced framework for CIVs during the third monitoring year. Cayman Islands was encouraged to continue enhancing its enforcement mechanism and applying penalties that are effective, proportionate and dissuasive.

#### Monitoring of Economic Substance Requirements for partnerships under criterion 2.2

42. In May 2020, the COCG assessed how different jurisdictions within the scope of criterion 2.2 treat partnerships in their legislation on economic substance requirements. The results confirmed that only five jurisdictions within the scope of criterion 2.2 included all relevant partnerships in the scope of their legislation on economic substance. The COCG asked the jurisdictions within the scope of criterion 2.2 for which this was not the case to extend the scope of their legislation on economic substance requirements to include relevant partnerships by June 2021, with effect from 1 July 2021.

43. In May 2023, the COCG agreed on a yearly monitoring process to ensure a proper enforcement of economic substance requirement for partnerships over time. The first year of monitoring (2023) covered information/data and compliance actions taken by jurisdictions within the scope of criterion 2.2 from 1 July 2021 to 31 December 2022.
44. Following coordination with the FHTP Secretariat and with a view to facilitating the process for the jurisdictions concerned, a questionnaire targeting partnerships was agreed and circulated as an annex to the FHTP questionnaire on the implementation of economic substance requirements for companies, following the same timeline.
45. 2025 was the third year of monitoring the enforcement of the economic substance requirements for partnerships. After considering the information reported, including detailed statistics, the compliance actions and exchanges of information undertaken throughout the reporting period, the COCG agreed that no recommendations should be addressed to Anguilla, Bahrain, Barbados, Bermuda, the British Virgin Islands, Guernsey, the Isle of Man, Jersey and the Republic of Marshall Islands. Soft recommendations were addressed to the Cayman Islands and Turks and Caicos Islands, encouraging the jurisdictions to continue developing their enforcement framework and resources, strengthen compliance actions and ensure their effectiveness through appropriate sanctions to partnerships, to ensure full compliance with all reporting and economic substance requirements. In this regard, the relevant follow-up actions will be assessed in the context of the fourth (2026) monitoring year.

Criterion 3.2 (BEPS IF minimum standards – implementation of the CbCR minimum standard)

46. In 2019, the COCG agreed on a general approach for assessing compliance with criterion 3.2 on country-by-country reporting (CbCR), in particular for early adopters of the CbCR minimum standard, i.e. jurisdictions that joined the Inclusive Framework on Base Erosion and Profit Shifting (BEPS IF) before the end of 2017. Accordingly, in November 2021, the COCG assessed those early adopters based on the 2021 BEPS IF Peer Review Report on CbCR, as well as additional assessments of bilateral exchange relations for CbCR with EU Member States. The screening of relevant jurisdictions continued in the following years, based on the 2022 and 2023 BEPS IF Peer Review Reports on CbCR.
47. Furthermore, at its meetings on 23 November 2022, 3 October 2023 and 22 November 2023, the COCG considered the implementation of the CbCR minimum standard by other jurisdictions within the scope of criterion 3.2 that had not been deemed deficient in 2021, as well as the state of play regarding relevant jurisdictions to which criterion 3.2 had not yet been applied, given that they had joined the BEPS IF on or after 1 January 2018. The COCG agreed to extend the scope of criterion 3.2 to relevant jurisdictions in that group.
48. At its meeting on 22 November 2023, the COCG decided to initiate the process by requesting information from jurisdictions within the scope of the EU list that had joined the BEPS IF since 1 January 2018, except those that had fully implemented the CbCR minimum standard or opted out of the BEPS Action 13 Peer Review Process in 2023. The information requested concerned resident ultimate parent entities (UPEs) of multinational enterprise (MNE) groups with consolidated group revenue above the CbCR reporting threshold.
49. On 24 April 2024 the COCG was informed about the replies provided by the 18 jurisdictions, that had received information letters regarding the future application of criterion 3.2.

50. After the publication of the BEPS IF peer reviews on CbCR in September 2024, the COCG took stock of the peer review outcomes for jurisdictions that had joined the BEPS IF on or after 1 January 2018. It also assessed the state of bilateral exchange relations for CbCR between those jurisdictions and EU Member States and the presence of resident UPEs of MNE groups above the reporting threshold of 750 million EUR in their respective territories.
51. On this basis, the COCG decided on 20 November 2024 to request commitments on criterion 3.2 from jurisdictions with one or more outstanding general recommendations in the 2024 BEPS IF report and one or more resident UPEs in 2022 or 2023. Jurisdictions in this category which have not yet activated relationships for CbCR exchanges with all EU Member States were asked to commit to address this issue as well. Commitments were recorded in Annex II in the October 2025 update of the EU list. The outstanding deficiencies should be addressed in time to be reflected in the 2026 BEPS IF peer review report on CbCR.
52. In addition, the COCG decided to start monitoring, as of 2025, on an annual basis, all BEPS IF jurisdictions which have not yet been asked for commitments under criterion 3.2 by the COCG due to non-relevance or opt-outs from the peer review process in 2024 or in the preceding years, in order to verify whether previously granted exemptions remain justified.
53. At its meeting on 30 April 2025, the COCG supported the monitoring of the existence of in-scope UPEs in BEPS IF member jurisdictions previously exempted from criterion 3.2 by the COCG and agreed to send information letters to those jurisdictions in this group which have received recommendations in the course of the BEPS Action 13 peer review process. Seventeen jurisdictions that had received one or more general recommendations from the BEPS IF in 2024 and had not activated CbCR exchanges with EU Member States were asked for information on resident UPEs of MNEs captured by the CbCR reporting threshold in 2024.

54. At its meeting on 16 October 2025, the subgroup considered the current state of play regarding BEPS IF member jurisdictions and agreed to send a letter to Viet Nam requesting a commitment under criterion 3.2, taking into account the general recommendations addressed to the jurisdiction in the latest BEPS IF peer review on CbCR, published on 23 September 2025, and the presence of resident UPEs of MNEs above the CbCR reporting threshold in Viet Nam in 2024. Viet Nam replied on 8 December 2025 and this commitment was recorded in the February 2026 update of the EU list under Viet Nam's entry in Annex I.
55. At its meeting on 27 April 2026, the COCG agreed to send letters, as part of the second annual monitoring exercise, to fourteen jurisdictions which received one or more general recommendations in the latest BEPS IF peer review on CbCR published on 23 September 2025 and missed activation for CbCR exchanges with EU Member States, requesting information on the existence of in-scope UPEs of MNEs for 2025. This included letters to Fiji and Kuwait, which were reviewed by the BEPS IF for the first time in 2025 and received general recommendations, as agreed by the subgroup at its meeting on 16 October 2025.
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