

logo not found or type unknown

USVI Remains on EU's Tax Haven Blacklist as Bahamas, Belize, TCI are Removed

The European Union updates its list of non-cooperative tax jurisdictions, removing four but maintaining the US Virgin Islands

Business / **Published On February 21, 2024 05:54 AM /**

Staff Consortium **February 21, 2024**

Image not found or type unknown



The European Union list of non-cooperative jurisdictions for tax purposes has shrunk to 12, after the Bahamas, Belize, Seychelles, and the Turks and Caicos Islands were recently removed from what is commonly known as the EU blacklist. The USVI, Trinidad and Tobago, and Antigua and Barbuda are among those jurisdictions which remain.

The USVI, the EU says, does not apply any automatic exchange of financial information. Additionally, the territory – either on its own or through the United States – has not signed and ratified the amended OECD Multilateral Convention on Mutual Administrative Assistance.

The EU also considers the territory's Economic Development Program a "harmful preferential tax regime", as it does the International Banking Center Regulatory Act, and the territory's list of exempt companies. The territory, the EU says, has not committed to addressing these issues, and thus remains on the blacklist.

When the territory was [added to the EU blacklist](#) in 2018, the government called the move "unjustified", saying that the USVI was not a tax haven. GVI said at the time that there was no evidence that any of the territory's economic development programs were connected to the avoidance of taxes imposed by EU member states.

The EU's move to set up the tax-haven blacklist was triggered by publication of the Panama Papers – documents that showed how wealthy individuals and multinational corporations use offshore schemes to reduce their tax bills.

Since then, the list has been heavily [criticized as discriminatory](#). Leading Caribbean economist Marla Dukharan described EU policies in this regard as "indisputable examples of interstitial racism and bullying," and pointed out that over a third of the world's tax havens are in EU member states.