



PRESS RELEASE

European Union removes The Bahamas from tax watchlist

'The Bahamas' financial services industry is stable and governed by a sound regulatory regime'

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The European Union's Economic and Financial Affairs Council completely removed The Bahamas from its List of Non-Cooperative Jurisdictions for Tax Purposes, at their meeting in Brussels today. In a statement this morning, the EU confirmed that The Bahamas has implemented the necessary reforms to meet the EU criteria on tax governance and cooperation on tax matters. The Government welcomes this decision and the positive impact it should have on growth to investor confidence in the industry

In March 2019, The Bahamas was placed on the EU's Annex II "the greylist". While different from the more serious Annex I "the blacklist" of the EU List of Non-Cooperative Jurisdiction for Tax Purposes, The Bahamas was still subject to ongoing monitoring by the EU with respect to the implementation of economic substance requirements. With today's move, The Bahamas has addressed all of the concerns on economic substance, removal of preferential exemptions and automatic exchange of tax information.

"This news of our removal from the EU list affirms that The Bahamas takes its position as a global financial center very seriously. Coming off this list was not an easy process. We engaged many stakeholders and executed a comprehensive strategy to not only address the EU's concerns but also to defend the jurisdiction against recent attacks on the legitimacy of our financial services business," said Deputy Prime Minister and Minister of Finance K. Peter Turnquest.

Over the past year, the Government's team of technical advisors has had several meetings with the EU's Code of Conduct Group to engage in dialogue on the integrity of The Bahamas' tax governance measures. Most of the discussions centered on the introduction of economic substance requirements for Investment Funds.

"The Bahamas has worked diligently to demonstrate its commitment at the highest political level to international standards on information exchange, tackling harmful tax practices and dismantling artificial tax structures. On behalf of the Government, I thank the staff, agencies and industry stakeholders that worked so hard to achieve this result. Your support, encouragement and technical skills have been invaluable in this process and prove once again, we can rise to any challenge," said Minister Turnquest.

“All of our critics should see that the EU’s statements today clearly counters the view that The Bahamas is not doing its part in the global effort to stop financial crimes such as tax evasion and money laundering,” he said.

The positive evaluation of The Bahamas by the EU sends a strong signal to the international community that The Bahamas’ financial services industry is stable and governed by a sound regulatory regime. The Government will continue to promote engagement with all stakeholders on these issues and will take the appropriate measures to ensure that The Bahamas adheres to international best practices and remains the preferred jurisdiction of choice for financial services in the region.

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