

Blacklist of tax havens updated (3/45/20)

On 1 January 2018 the [Cabinet of Ministers' Rule No. 655 on tax havens](#) came into force, listing 25 jurisdictions. This article explores how the status of several jurisdictions has changed.

Why do we need to know a jurisdiction's status?

Doing business with jurisdictions treated as tax havens is subject to a number of restrictions under the Corporate Income Tax Act, including an obligation to withhold tax on all payments (including dividends, interest, royalties and consulting fees) made to tax havens, except payments for goods and EU/EEA public securities if the purchase is arm's length.

Tax havens

Although the blacklist still has 25 jurisdictions, a jurisdiction is no longer considered a tax haven under Rule No. 655 when –

- a double tax treaty with that jurisdiction begins to apply;
- a tax information exchange agreement relating to that jurisdiction comes into force, unless the agreement provides otherwise.

So, to check a jurisdiction's status we need to verify –

1. whether it is on the list;
2. whether a double tax treaty with that jurisdiction has begun to apply this year ([click here](#)); and
3. whether a multilateral instrument relating to that jurisdiction has taken effect ([click here](#)).

We ran this check and discovered that a multilateral instrument has taken effect for 12 out of the 25 listed jurisdictions since Rule No. 655 came into force (2018–2020) so they are no longer treated as tax havens:

1. Antigua and Barbuda;
2. the Commonwealth of The Bahamas;
3. the Kingdom of Bahrain;
4. Brunei Darussalam;
5. the Commonwealth of Dominica;
6. the Republic of Ecuador;
7. Grenada;
8. Jamaica;
9. the Republic of Kenya;
10. the Republic of Liberia;
11. Macau; and
12. the Republic of Vanuatu.