



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministry of Finance Headquarters

Ministerial Statement

To the House of Assembly

By

The Hon. David Burt, JP, MP

Premier and Minister of Finance

EU List of Non-Cooperative Jurisdictions Update

Date: 8th June, 2018

Mr. Speaker, I am pleased to update Honourable Members on the EU list of non-cooperative jurisdictions in taxation matters.

Mr. Speaker, subsequent to the 5 December 2017 European Council's published conclusions containing an EU list of non-cooperative jurisdictions in taxation matters the European Council has revised the list several times to date. Countries have been added to and deleted from the EU's list, in most cases based on their Commitment Letter or a lack thereof.

Mr. Speaker, Bermuda's commitment letter was sufficiently clear and we therefore were not entered on the list of non-cooperative jurisdictions by the European Council. Honourable Members will recall that on December 5th, 2017, based on similar Commitment Letters from the UK Crown Dependencies and other UK Overseas Territories, no UK Crown

Dependencies or UK Overseas Territories were listed and have not been to date.

Mr. Speaker, numerous commitment letters, including Bermuda's are now posted on the European Council's website. Ours is one of forty countries similarly available for review.

Mr. Speaker, for the convenience of Honourable members a copy of Bermuda's commitment letter that appears on the European Council's website is being provided to Honourable members.

Mr. Speaker, Bermuda along with other low – no income tax jurisdictions are in dialogue with the EU Code of Conduct Group (Business Taxation) and the European Commission both of whom are assisting the European Council to manage its list of non-cooperative jurisdictions.

Mr. Speaker, under the European Council assessment criteria, is criterion 2.2., which refers to low-no income tax jurisdictions. Criterion 2.1 refers to income tax jurisdictions. The European Council is currently considering finalizing the detail for criterion 2.2 to then convey to all criterion 2.2 jurisdictions on a level playing field basis.

Mr. Speaker, there is no room for negotiation of special treatment, carve outs or exemptions on a per jurisdiction basis, as the European Council is adhering to the level playing field approach in finalizing the detail for criterion 2.2.

Mr. Speaker, therefore, Bermuda, similar to the other UK Crown Dependencies and Overseas Territories are, in addition to assisting the EU officials to understand our respective jurisdictions are also in consultation with the UK Government. Additionally, sovereign jurisdictions impacted by

the EU criteria are also engaging in a similar process through the diplomatic avenues they have in place for themselves.

Mr. Speaker, it is anticipated that the European Council may provide another update by the end of this month and we will provide a further update to Honourable members as necessary. I wish to advise this Honourable House and the public that we keep a regular ‘watching brief’ on these matters and Bermuda can be assured that at every turn we are prepared to meet the issues that may arise.

Mr. Speaker, earlier this week I met with the Honourable Opposition Leader and provided a full briefing on this matter. This is the second meeting I had with the Opposition to ensure that they are fully briefed on this important matter.

Mr. Speaker, let me take this opportunity to thank members of the Insurance Advisory Committee and also stakeholders from the local and international business community who are serving as an ad-hoc advisory committee on this important issue. These two committees have provided valued advice and support during these past months and continue to do so. As soon as the EU has produced the documents which our legislative amendments will be required to meet by December 31, 2018 we will engage in industry wide consultation on the next steps for Bermuda.

Thank you, Mr. Speaker