

Euro Tax Flash from KPMG's EU Tax Centre

October 2025 update of the EU list of non-cooperative jurisdictions

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On October 10, 2025, the Economic and Financial Affairs Council [adopted](#) conclusions on the EU list of non-cooperative jurisdictions (Annex I) and the state of play with respect to commitments taken by cooperative jurisdictions to implement tax good governance principles (Annex II – so called “grey list”).

No changes were made to Annex I of the EU list of non-cooperative jurisdictions, which continues to include the following eleven jurisdictions: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, the Russian Federation, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

In addition, the Council agreed to remove Vietnam from Annex II (the grey list), as it had fulfilled its previous commitments, and to add four other jurisdictions – Greenland, Jordan, Montenegro, Morocco.

The grey list now includes the following eleven jurisdictions: Antigua and Barbuda, Belize, the British Virgin Islands, Brunei Darussalam, Eswatini, Greenland, Jordan, Montenegro, Morocco, the Seychelles and Türkiye.



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Council of the EU – Code of Conduct Group – Non-cooperative jurisdictions – Tax transparency – Automatic Exchange of Information – Exchange of Information on Request – Country-by-Country Reporting

Background

The EU list of non-cooperative jurisdictions, first adopted in the Council conclusions of December 5, 2017, is part of the EU's efforts to curb tax avoidance and harmful tax practices. The list is the result of an in-depth screening of non-EU countries that are assessed against agreed criteria for tax good governance by the Code of Conduct Group ('CoCG' or 'Group'), which is composed of high-level representatives of the Member States and the European Commission.

The current screening criteria are founded upon tax transparency, fair taxation, and the implementation of OECD anti-BEPS measures. Jurisdictions that do not comply with all criteria, but that have committed to reform are included in a state of play document – the so-called "grey list" or Annex II. The lists are an on-going project and are updated and revised twice every year. Please refer to E-news [Issue 207](#) for details of the state of play following the previous revision of the lists (February 18, 2025).

Update to Annex I

No changes were made to Annex I of the EU list of non-cooperative jurisdictions, which continues to include the following eleven jurisdictions: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, the Russian Federation, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

Update to Annex II

In addition to the list of non-cooperative tax jurisdictions, the Council approved the usual state of play document (Annex II) which reflects ongoing EU cooperation with its international partners and the commitments of these countries to reform their legislation to adhere to agreed tax good governance standards.

ECOFIN Council adopted the following changes with respect to Annex II:

- **Vietnam** was removed from section 3.2 of Annex II (and therefore removed completely from the grey list) after the country fulfilled its commitment regarding implementation of country-by-country reporting standards for multinational companies operating in the country.
- **Greenland and Morocco** were added to section 3.2 of Annex II following their commitments to address the identified deficiencies in their domestic frameworks as regards country-by-country reporting in time to be reflected in the BEPS Inclusive Framework Action 13 peer review report in autumn 2026.
- **Jordan** was added to Annex II both with respect to criterion 1.1 Automatic exchange of information and 3.2 Implementation of the country-by-country reporting minimum standard (BEPS Action 13). The country has committed to addressing the identified deficiencies in time for these improvements to be reflected in the Global Forum AEOI peer review report in 2026 and in the BEPS Action 13 peer review report in autumn 2026, respectively.
- **Montenegro** was added to Annex II both with respect to criterion 1.1 Automatic exchange of information and 1.2 Membership of the Global Forum and satisfactory rating in relation to exchange of information on request. The country has committed to addressing the identified deficiencies in time for these improvements to be reflected in the Global Forum AEOI peer review report in 2026.

The grey list now includes the following eleven jurisdictions: Antigua and Barbuda, Belize, the British Virgin Islands, Brunei Darussalam, Eswatini, Greenland, Jordan, Montenegro, Morocco, the Seychelles and Türkiye.

Next steps

The revision will take effect from the day of publication in the Official Journal of the European Union of the revised Annexes I and II. The next update of the EU list of non-cooperative jurisdictions is expected to take place in February 2026.

ETC Comment:

It is important for taxpayers to monitor the evolution of the list in light of defensive measures that are being applied by EU Member States against listed jurisdictions in form of e.g., non-deductibility of costs, CFC rules, increased WHT or limitation of participation exemption. Taxpayers should be mindful that EU countries may refer to different (local) lists and apply different defensive measures, based on different application timelines and have other varying requirements in this context. The CoCG has previously indicated its commitment to performing an analysis on how defensive measures have been effectively applied by Member States to enable discussion on whether and how coordination of the measures could be enhanced. For more details, please refer to KPMG's [summary](#) of defensive measures against non-cooperative jurisdictions for tax purposes.

The EU list of non-cooperative jurisdictions is also relevant for the purposes of the EU mandatory disclosure rules under DAC6, where recipients of cross-border payments are resident for tax purposes in a jurisdiction that is included in Annex I. Under Hallmark C1b(ii) of DAC6, such payments may trigger a reporting obligation irrespective of whether the transaction is aimed at generating a tax benefit (i.e., the main benefit test does not apply). Note that consensus has not formed among Member States on the point in time at which the list should be tested (e.g. the triggering date, or the reporting date).

In addition, the EU list has a direct impact on EU Public Country-by-Country Reporting obligations that generally apply in relation to financial years starting on or after June 22, 2024 (exceptions apply). Based on the EU Public Country-by-Country Reporting Directive, relevant data points should be made publicly available on a country-by-country basis for each EU Member State as well as for each jurisdiction listed on Annex I of the EU list of non-cooperative jurisdictions and for each jurisdiction that has been on the grey list (Annex II) for a minimum of two years (i.e. as opposed to disclosure of aggregated amounts, which is the requirement for the rest of non-EU jurisdictions). For more information on EU public CbCR, please [click here](#).

The EU list further produces effects outside the tax area, such as in respect of EU Regulation 2021/557, which provides that securitization special purpose entities (SSPEs) should only be established in third countries that are not listed in Annex I of the EU list, or in the list of high-risk third countries which have strategic deficiencies in their regimes on anti-money laundering and counter terrorist financing.

Should you have any queries, please do not hesitate to contact [KPMG's EU Tax Centre](#) or, as appropriate, your local KPMG tax advisor.



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