

Luxembourg Tax Alert

Defensive measures for EU list of non-cooperative countries and

9 May 2018

Luxembourg tax authorities just published defensive measures in relation to the EU list of non-cooperative countries and territories for corporate tax purposes

As part of its external taxation strategy, the European Union is promoting tax good governance on a global level through tax transparency, fair taxation and implementation of new standards. Last December, the Council of the European Union approved and published conclusions containing the European Union list of non-cooperative jurisdictions. The listed jurisdictions have been considered as not yet having provided effective actions in response to the European Union concerns.

The current listed jurisdictions are American Samoa, Bahamas, Guam, Namibia, Palau, Samoa, Saint Kitts and Nevis, Trinidad and Tobago and US Virgin Islands. The Council of the European Union will update the list at least once per year, the last update dating 16 March 2018.

On 8 May 2018, the Luxembourg direct tax authorities published through a [circular](#) (only in French) the defensive measures in connection with the European list. They intend to examine very closely the transactions of Luxembourg companies with related entities situated in the listed jurisdictions. Consequently, the Luxembourg direct tax authorities will carry out an enhanced monitoring of such transactions.

In this context, they will require companies to list in their Luxembourg tax returns all transactions with related entities located in listed jurisdictions. The tax authorities indicated that the applicable version of the EU list to be taken into account is the one released at the time of the financial year-end of the concerned Luxembourg companies. This reporting will be reflected for first time in the Luxembourg tax returns to be filed in 2019 covering fiscal year 2018.

Additionally, as part of the review of tax returns and/or a subsequent investigation, the Luxembourg tax authorities can request the concerned companies to provide them the details of those transactions, including the total amount and the statement of income and expenses, as well as the statement of claims and debts owed to such enterprises.

Your contacts

Raymond Krawczykowski

Partner – Tax Leader

Tel : +352 45145 2500

rkrawczykowski@deloitte.lu

François Guilloteau

Partner – International Tax

Tel : +352 45145 2577

fguilloteau@deloitte.lu

Deloitte Luxembourg

560, rue de Neudorf

L-2220 Luxembourg

Tel: +352 451 451

Fax: +352 451 452 401

www.deloitte.lu

Deloitte is a multidisciplinary service organisation which is subject to certain regulatory and professional restrictions on the types of services we can provide to our clients, particularly where an audit relationship exists, as independence issues and other conflicts of interest may arise. Any services we commit to deliver to you will comply fully with applicable restrictions.

Due to the constant changes and amendments to Luxembourg legislation, Deloitte cannot assume any liability for the content of this leaflet. It shall only serve as general information and shall not replace the need to consult your Deloitte advisor.

About Deloitte Touche Tohmatsu Limited:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/lu/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

© 2018 Deloitte General Services

Designed and produced by MarCom at Deloitte Luxembourg