

Issue N-5-2025, 20 February 2025

EU list of third country non-cooperative jurisdictions for tax purposes, updated February 2025

In brief

On 18 February 2025 the ECOFIN Council (the 'Council') approved conclusions on the Annex I (the EU list of 'non-cooperative jurisdictions for tax purposes', commonly referred to as the EU 'blacklist'). No jurisdictions were added to or removed from Annex I.

On 18 February 2025 the Council also made amendments to Annex II (the EU list of third country 'cooperative jurisdictions for tax purposes subject to the successful delivery of their commitments', commonly referred to as the EU 'greylist'). The Council decided to:

- remove **Costa Rica** and **Curacao** from the EU 'greylist',
- add **Brunei Darussalam** to the EU 'greylist'.

The Council adopted the initial EU 'blacklist' and 'greylist' on 5 December 2017. These lists have since been updated several times. As agreed by the Council in its conclusions of 12 March 2019, the aim, as from 2020 onwards, is for any updates of the EU lists to be done no more than twice a year. This is the first update for 2025.

The Council conclusions in effect adopt recommendations made by the EU Code of Conduct Group (Business Taxation) and will take effect from the day of publication in the Official Journal of the EU (not published yet).

In detail

The latest (18 February 2025) Council decisions on the EU ‘blacklist’ and the EU ‘greylist’

As a result of the latest Council decisions:

- A. The Council decided not to make any amendments to the EU ‘blacklist’. Thus, the following eleven (11) countries remain on the EU ‘blacklist’:

American Samoa	Anguilla	Fiji
Guam	Palau	Panama
Russian Federation	Samoa	Trinidad and Tobago
U.S. Virgin Islands	Vanuatu	

- B. The Council also decided that **Costa Rica** and **Curacao** should be removed from the EU ‘greylist’ since they fulfilled their commitments by addressing the deficiencies in their automatic exchange of tax information system, and that **Brunei Darussalam** should be added to the EU ‘greylist’ following its commitment to amend or abolish its foreign-source income exemption regime. Following the above, the following eight (8) countries are now on the EU ‘greylist’:

Antigua and Barbuda	Belize	British Virgin Islands
Brunei Darussalam	Eswatini	Seychelles
Turkey	Vietnam	

All jurisdictions on the EU ‘greylist’ have made commitments towards the EU to comply with the relevant EU criteria within specific timeframes (the timeframes may be extended).

Updated EU lists take effect upon publication in the Official Journal of the EU.

For more background on the EU lists, and their evolution over time, please refer to our prior Tax Update Newsletters:

- [N-17-2017](#), [N-4-2018](#), [N-11-2018](#), [N-19-2018](#), [N-5-2019](#), [N-9-2019](#), [N-11-2019](#), [N-14-2019](#), [N-2-2020](#), [N-28-2020](#), [N-2-2021](#), [N-28-2021](#), [N-11-2022](#), [N-1-2023](#), [N-17-2023](#), [N-3-2024](#) and [N-8-2024](#).

The takeaway

Possible impacts on taxpayers in jurisdictions on the EU 'blacklist' include facing increased monitoring and audits, special documentation requirements, increased withholding taxes, and other possible defensive tax measures by EU Member States.

- In particular for Cyprus, withholding tax is applicable in certain circumstances where a recipient, that is a company, is in an EU blacklisted jurisdiction. The Cyprus withholding tax as regards EU blacklisted jurisdictions is not applicable in cases where the recipient is an individual. This is with effect from 31 December 2022, subject to any reduction or exemption as per any applicable double tax treaty (DTT). For more details please refer to our prior Tax Update Newsletter [N-38-2021](#).

Additionally, we expect the Cyprus Tax Authorities to issue clarifications as regards their interpretation of this Cyprus withholding tax, which are expected, inter alia, to indicate which version of the EU blacklist will be applicable at any one time.

Lastly, increased DAC6 reporting obligations would apply to certain related party transactions between taxpayers in the EU and taxpayers in EU 'blacklisted' jurisdictions. For Cyprus DAC6 obligations the relevant list to use is expected to be the list as it stands in the Official Journal of the EU on the date the DAC6 obligation arises.

Lets talk

For a deeper discussion of how this issue might affect you or your business, please contact:

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