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Industry Information

# EU Recognition of Cayman Islands Tax Cooperation and Removal from Annex I List

6 October 2020

The European Union ("EU") has announced that the Cayman Islands has been removed from Annex I of the EU's list of non-cooperative jurisdictions for tax purposes ("Annex I") following a meeting of the EU's Economic and Financial Affairs Council ("ECOFIN").

The Cayman Islands' continued commitment to implement tax good governance was confirmed in an official statement from the European Council, which recognised that the jurisdiction has appropriate measures in place.

The Cayman Islands Premier Alden McLaughlin said that the listing had been in relation to investment funds supervision and that "Cayman responded positively by expanding the scope of our funds regime to ensure that the Cayman Islands Monetary Authority, our financial services regulator, has the legal mandate to supervise all Cayman-based investment funds".

Premier McLaughlin reaffirmed that Cayman remains **fully committed** to international tax good governance standards, and noted that the EU has joined the OECD in positively recognising Cayman's tax regime. The Cayman Islands' economic substance legislation was evaluated in June 2019 by the OECD's Forum on Harmful Tax Practices as "not harmful", which is the highest rating possible. In addition, the jurisdiction is party to multiple bilateral tax information exchange agreements and was one of the earliest adopters of FATCA, CRS, CbCR and the OECD's BEPS economic substance requirements.

The Cayman Islands is a leading centre for financial services and has a robust, internationally recognised regime and market leading regulatory framework. The Cayman Islands has continued to be the jurisdiction of choice for global investment funds and other financial sector businesses.

## Contacts

Please contact your usual Walkers contact or any of the contacts below if you would like to discuss the above.

### Cayman Islands Legal Services



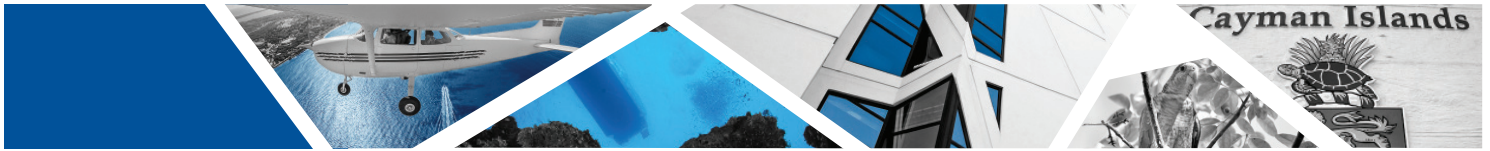
Tim Buckley  
Partner, Cayman Islands  
T: +1 345 814 4646  
E: tim.buckley@walkersglobal.com



Lucy Frew  
Partner, Cayman Islands  
T: +1 345 814 4676  
E: lucy.frew@walkersglobal.com



Ingrid Pierce  
Partner, Cayman Islands  
T: +1 345 814 4667  
E: ingrid.pierce@walkersglobal.com



## Global Legal Services



**Daniel Wood**  
Partner, Dubai  
T: +971 4 363 7912  
E: daniel.wood@walkersglobal.com



**Denise Wong**  
Partner, Hong Kong  
T: +852 2596 3303  
E: denise.wong@walkersglobal.com



**Jonathan Sheehan**  
Partner, Ireland  
T: +353 1 470 6639  
E: jonathan.sheehan@walkersglobal.com



**Hughie Wong**  
Partner, London  
T: +44 (0)20 7220 4982  
E: hughie.wong@walkersglobal.com



**Thomas Granger**  
Partner, Singapore  
T: +65 6603 1694  
E: thomas.granger@walkersglobal.com

## Professional Services



**Dorothy Scott**  
Managing Director  
T: +1 345 914 4202  
E: dorothy.scott@walkersglobal.com



**Anne Dolan**  
Director, Corporate Services  
T: +1 345 814 7620  
E: anne.dolan@walkersglobal.com



**Steven Manning**  
Director, Fiduciary Services  
T: +1 345 814 7612  
E: steven.manning@walkersglobal.com