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Answer given by Executive Vice-President Dombrovskis
on behalf of the European Commission
(20.5.2020)

The EU regards fight against tax avoidance as well as money laundering and terrorist financing as high priority.

The EU list of non-cooperative tax jurisdictions and the EU list of high-risk countries for money laundering and terrorism financing (AML/CFT) are two separate processes with different criteria and methodologies.

Vanuatu remains on the EU tax list, as it has not fulfilled the commitments it made to address important deficiencies in its tax system. The Commission continues to offer Vanuatu technical assistance and support to comply with the necessary tax good governance criteria.

Under Article 9 of the Anti-Money Laundering Directive¹, the Commission has a legal obligation to identify high-risk third countries with strategic deficiencies in their AML/CFT regime. In 2016, the Commission reviewed relevant information, notably from the Financial Action Task Force (FATF), and concluded that Vanuatu has strategic AML/CFT deficiencies, which consequently led to its inclusion in the EU AML list of high-risk third countries². The Commission monitors Vanuatu's progress to assess whether it meets the requirements set in the AML Directive.

The Commission closely follows the work of the FATF and will take into account, as appropriate, its relevant reports. It includes the 2018 decision to no longer subject Vanuatu to monitoring under its on-going global AML/CFT compliance process. The Commission also takes into account relevant information from other international organisations, such as the OECD's Global Forum peer review report³, notably on beneficial ownership information transparency, a criterion defined in Article 9 of the AML Directive.

The Commission is currently working on amending Regulation (EU) 2016/1675 and on a refined methodology for identifying high-risk third countries and will adopt a Delegated Regulation updating the EU list of high-risk third countries.

¹ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance). OJ L 141, 5.6.2015, p. 73–117.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02015L0849-20180709&from=EN>

² See Annex of the Delegated Regulation (EU) 1675/2016 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2016.254.01.0001.01.ENG

³ Organisation for Economic Co-operation and Development (OECD)'s Global Forum on Transparency and Exchange of Information for Tax Purposes peer review report on Vanuatu of 30 July 2019. <https://www.oecd.org/countries/vanuatu/global-forum-on-transparency-and-exchange-of-information-for-tax-purposes-vanuatu-2019-second-round-dd70b774-en.htm>