



ATOZ ALERT

EU list of non-cooperative jurisdictions for tax purposes confirmed by the EU Council

10 October 2025

During today's ECOFIN meeting, the EU Council has **reaffirmed** the [EU list of non-cooperative jurisdictions for tax purposes](#) ("**Blacklist**"). **No changes** have been made to the February 2025 version of the Blacklist.

The Blacklist is updated twice a year (in February and October) by the EU Council based on criteria relating to tax transparency, fair taxation and measures against base erosion and profit shifting ('anti-BEPS measures'). By reference to this list, Member States can put in place **defensive measures** to help **protect their tax revenues** and **fight against tax fraud, evasion and abuse**.

The Blacklist is an important tool as it directly **impacts** the scope of application of three different **Luxembourg tax measures**:

- 1) the measure denying the **corporate income tax deduction of interest and royalty expenses** due to entities located in non-cooperative tax jurisdictions;
- 2) the **requirement to disclose transactions with entities** located in non-cooperative jurisdictions; and
- 3) the **mandatory disclosure rules** applicable to certain **cross-border arrangements under DAC6**.

We will analyse the Blacklist and its implications from a Luxembourg tax perspective below.

The current EU list of non-cooperative jurisdictions for tax purposes

As of today and since 8 October 2024, the Blacklist includes the 11 following jurisdictions (the "**Blacklisted Jurisdictions**"):

- American Samoa;
- Anguilla;
- Fiji;
- Guam;
- Palau;

- Panama;
- Russia;
- Samoa;
- Trinidad and Tobago;
- US Virgin Islands; and
- Vanuatu.

The new October list will become official upon publication in the Official Journal to take place in the coming days.

Impact on the measure denying the corporate income tax deduction of interest and royalty expenses due to entities located in non-cooperative tax jurisdictions

Based on Article 168-5 of the Luxembourg Income Tax Law (“LITL”), under certain conditions, interest and royalties due to entities located in Blacklisted Jurisdictions are not deductible for corporate income tax purposes. As a matter of principle, the measure denying the deduction of interest and royalties applies **based on the latest version of the Blacklist available as of 1 January of the relevant fiscal year**. The Blacklist approved today will be the latest version of the Blacklist available as of 1 January 2026.

For a detailed explanation of the scope of the measure provided by Article 168-5 of the LITL, its conditions and its timing aspects, please read our article ‘New guidelines on Luxembourg defensive measures against non-cooperative jurisdictions for tax purposes’ in our [July 2022 ATOZ Insights](#).

Impact on disclosure requirements based on Circular L.I.R. n° 168/2 of 31 May 2022

Based on Section 4 of Circular L.I.R. n° 168/2 of 31 May 2022, the Luxembourg tax authorities **systematically review transactions** entered into by Luxembourg corporate taxpayers **with related parties** (within the meaning of article 56 of the Income Tax Law) located in **non-cooperative jurisdictions** (as listed by the EU) in order to assess whether the terms and conditions of the transactions reflect the arm's length principle. **Detailed information on these transactions has to be reported** by Luxembourg corporate taxpayers in their **corporate tax returns**.

The Circular states that the **blacklisting as of the end of the accounting year concerned is key** for determining whether reporting is required or not. Therefore, since most companies have an accounting year corresponding to the **calendar year**, reference generally has to be made to the list reflecting the **October update** of the year concerned. When determining whether a specific transaction of a company with an accounting year corresponding to the calendar year has to be reported in the 2025 corporate income tax return under Circular L.I.R. n° 168/2 of 31 May 2022, reference will have to be made to the newly released October 2025 list.

However, one should keep in mind that for companies with an accounting year which differs from the calendar year (e.g. for companies with an accounting year starting on 1 March), reference may have to be made to the list reflecting the February update. Thus, for these companies, the list in force as of February 2025 might be relevant. For this year, the February 2025 list and the October 2025 list are the same.

Impact on disclosure requirements under DAC6

The listing of a jurisdiction as non-cooperative may also have **an impact on the reporting obligations** applicable according to the Luxembourg Law of 25 March 2020 implementing **DAC6**. Indeed, **Hallmark C.1.b) ii)** of the Annex to the Law of 25 March 2020 implementing DAC6 **covers deductible cross-border payments** made between two or more associated enterprises where the recipient is resident for tax purposes in a jurisdiction which has been assessed as being non-cooperative. This hallmark is not subject to the main benefit test.

Therefore, reference should be made to the **list in force at the time the arrangement** was implemented and the listing or delisting of a jurisdiction after the arrangement has been implemented should not have any retroactive effect. In other words, reporting should only be required if the arrangement with the entity located in the jurisdiction was implemented at the time when this jurisdiction was on the Blacklist.

However, one should keep in mind that as soon as article 168-5 of the LITL applies (provided all its conditions are met), payments to these Blacklisted Jurisdictions are not tax deductible so they no longer fall within the scope of Hallmark C.1.b) ii).

Implications

Luxembourg taxpayers with investments into and from non-cooperative jurisdictions should seek advice from their tax advisers in order to analyse the potential tax impact of the Blacklist on their investments and the potential reporting requirements. The evolution of the legislation of jurisdictions under the radar of the EU Council should also be closely monitored in order to anticipate an addition to or a removal from the Blacklist in the future and thus a change in the scope of application of the Luxembourg measures.

The next revision of the Blacklist is scheduled for February 2026.

Do you have any questions?



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