



OTP Bank Group

Market: Global

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Category: Taxation issues

New amendeds of the „black and grey“ lists of EU non-cooperative tax jurisdictions for tax purposes - update

Summary: The amended „black and grey“ lists of EU non-cooperative tax jurisdictions for tax purposes - update

We hereby inform you that the EU "black" list of non-cooperative jurisdictions for tax purposes has been changed so that the Bahamas, Belize (now on the "grey" list), Seychelles (now on the "gray" list), Turks and Caicos Islands have been removed from the list of non-cooperative jurisdictions for tax purposes.

The EU Council agreed to remove six jurisdictions from the grey list, as they had fulfilled their previous commitments: Aruba, Albania, Botswana, Dominica, Hong Kong and Israel.

The new updated „black“ list comprises a total of 12 countries, namely: American Samoa, Anguilla, Antigua and Barbuda, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.

The „black“ list became official as of 20 February 2024, upon the publication in the Official Journal.

The 'grey' list of jurisdictions currently being monitored by the EU has also been changed and now consists of the following 10 jurisdictions: Armenia, Belize, British Virgin Islands, Costa Rica, Curaçao, Eswatini, Malaysia, Seychelles, Turkey and Vietnam.

We remind you that legal entities resident in countries from the list of non-cooperative jurisdictions for tax purposes, except for countries with which Croatia has concluded an Agreement on the Avoidance of Double Taxation, are liable for a higher withholding tax of 25% on all remunerations payable under Article 31 of the Profit Tax Act (including dividend and interest).

Interest payments arising from bonds are still tax-free.

Please note that a jurisdiction being added to the 'grey' list does not immediately impact tax withholding for investors from those jurisdictions. However, the EU will monitor the progress those jurisdictions are making with their commitments towards tax reform. In the event that a



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jurisdiction is added to the 'blacklist', investors may be subject to increased rates of withholding when investing in EU countries.

Impact: legal entities resident in countries from the list of non-cooperative jurisdictions for tax purposes, except for countries with which Croatia has concluded an Agreement on the Avoidance of Double Taxation, are liable for a higher withholding tax of 25% on all remunerations payable.

Required actions: -

Application date: 20.02.2024.

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