



GOVERNMENT OF BERMUDA

**Ministry of Finance**

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**Ministry of Finance Headquarters**

**Ministerial Statement**

To the House of Assembly

By

**The Hon. Curtis L. Dickinson, JP, MP**

Minister of Finance

**European Union Tax Delisting**

Date: 17th May, 2019

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Mr. Speaker, I addressed this Honourable House at its sitting last week to provide additional background information regarding the actions which Bermuda had taken to address issues related to the EU “Blacklist”.

This included the political level engagement in Europe undertaken by the Premier and I, toward being removed from the list, as adopted by the EU Finance Ministers (“ECOFIN”) at their March 12<sup>th</sup> meeting.

Mr. Speaker, I am now pleased to report to the members of this Honourable House and the people of Bermuda, that following its meeting in Brussels today, the ECOFIN made a public statement

announcing that it has removed Bermuda from the Annex 1 list of non-cooperative jurisdictions in relation to tax matters

Mr. Speaker, on March 28<sup>th</sup>, Premier David Burt and I, along with senior Bermudian officials, met with Commissioner Pierre Moscovici, responsible for economic and financial affairs as well as taxation and customs. Thereafter, on April 1, I, as well as members of the Bermuda team, met with Mrs. Lyudmila Petkova, Chair of the Code of Conduct Group on Business Taxation. These meetings, together with visits to the German and French Ministries of Finance, were open, constructive and cooperative and we believe played an important role in achieving today's positive outcome.

Mr. Speaker, the Premier and I, on behalf of the people of Bermuda, wish to thank the members of ECOFIN , as well as the EU officials that we met during those critical end March/early April meetings for their work in progressing Bermuda's removal from the list at the earliest opportunity. We would further note that we certainly intend to continue our engagement with these and other key persons in the EU and to address a wide range of relevant matters that are important to Bermuda's national interest.

Mr. Speaker, consistent with my remarks to the Honourable Members and the people of Bermuda last week, Bermuda has now been placed on the "grey" list, meaning being placed in Annex II of the EU list. This reflects the need to further expand our legislative framework in

this area, to include the EU's economic substance requirements for collective investment funds (CIVs).

Mr. Speaker, the Bermuda Monetary Authority CIVs experts have already engaged in several discussions with the EU Commission on these matters. They will continue to cooperate with the EU with respect to the adoption, by the end of this year, of an economic substance framework for CIVs that is acceptable to the EU.

Mr. Speaker, I must reiterate, how extremely pleased and thankful I am that Bermuda has been removed from the EU's list of non-cooperative tax jurisdictions.

Mr. Speaker, the support from the people of Bermuda and other stakeholders has been a positive force during this difficult period. I would note that teams within the Ministry of Finance, the Bermuda Monetary Authority, as well as private sector partners have worked extremely hard, on an ongoing basis, to address the various issues related to all of these economic substance requirements. Today's announcement from Brussels is a tribute to the dedication that those men and women have brought to this initiative. We must also recognize the advice and support from the UK government during this extended process. I therefore wish to express my sincere thanks to all persons involved in this work, to other stakeholders who provided assistance, and to the people of Bermuda for their support in these matters.

Mr. Speaker, Bermuda has done considerable work to become a well-regulated and respected jurisdiction. Our reputation and commitment in that regard kept our industry partners and other influential persons ‘in our corner’ through this challenging process. We were heartened by the recent S&P Ratings affirming the sound economic direction of the country. I would also note that in the last several weeks, including at the April RIMS conference, business confidence has remained high and there have been public demonstrations of that confidence with significant new entrants to the marketplace. I would further highlight that earlier this week I attended the latest Consensus Conference in New York and witnessed continued interest and support for doing business in Bermuda.

Mr. Speaker, in closing I would note that I recognize that the positive decision by the EU today is by no means the end of the work required to continue addressing and strengthening the framework in this area. We will build on our experiences to date and appropriately take the required steps to ensure that Bermuda remains a jurisdiction of choice for quality and compliant business that positively contributes to the economic and social development of Bermuda.

**Thank you, Mr. Speaker**