



Council of the
European Union

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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
To:	Delegations
Subject:	The EU list of non-cooperative jurisdictions for tax purposes
	<ul style="list-style-type: none">• Compilation of commitment letters received from jurisdictions
	= Bermuda



GOVERNMENT OF BERMUDA

Ministry of Finance

Ministry of Finance Headquarters

Our ref: FS 10/1

16th November, 2017

Dr Fabrizia Lapecorella
Chair of the Code of Conduct Group (Business Taxation)
General Secretariat of the Council
Unit DG G 2B – Tax Policy, Export Credits and Regional Policy
Rue de la Loi/Wetstraat 175
B-1048 Brussels
Belgium

Re: Listing of non-cooperative jurisdictions

Dear Dr Lapecorella:

Thank you for your letter of 6th November 2017 reporting on the outcome of the Code of Conduct Group screening process.

I commit the Government of Bermuda to address the Code of Conduct Group's concerns relating to a de facto lack of substance for entities doing business in or through Bermuda. We will have close regard to the Terms of Reference included in the Annex to your 6th November letter. We will pass legislation to implement any appropriate changes by 31st December 2018.

We commit to examining the extensive substance requirements in the banking and insurance sector that you refer to, and applying the elements that are appropriate more horizontally across the economy. We will also consider adoption of a notification regime, as you have requested. Details follow below regarding our proposed process to implement this commitment, including a timeline and description of steps.

Bermuda has a long-standing and constructive relationship with the EU, including both commercial and regulatory cooperation. For example, Bermuda is one of only two jurisdictions with full Solvency II equivalence, which covers Bermuda's largest industry, insurance. We aim to ensure that our harmonious relations with the EU continue, including in the fields of tax and information exchange. We understand that this will require Bermuda to consider the changing international standards in tax system design, including those proposed by the EU.

Bermuda is keen to begin constructive dialogue with the Code of Conduct Group as soon as possible. Would you be available for a meeting with Bermudian officers and advisers during the week commencing 20th November?

We are grateful for the opportunity that you gave Bermuda to meet the Code of Conduct Group's expert panel dealing with these matters. We look forward to dialogue with the Code Group to ensure our legislative programme is appropriate.

Timeline and Steps for Implementation

Action point	Completion date
Meeting(s) with Code Group to discuss programme for addressing concerns on substance	[November 2017]
Internal review of current substance requirements in Bermuda for regulated entities, including banking and insurance	15 February 2018
Informal discussions with local stakeholders on options for extension of substance requirements to Bermuda companies	15 February 2018
Progress reports to be provided in meetings with the Code of Conduct Group	Quarterly, scheduled as Code of Conduct Group suggests
Legislation is passed	By end 2018

We look forward to working with you on these matters and welcome periodic meetings with the Code Group to discuss progress and ensure our plans are in line with your objectives and the Terms of Reference.

Sincerely,



The Hon. E. David Burt, JP. MP.
Premier and Minister of Finance