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## EU Blacklist – Cayman Islands off, Anguilla and Barbados on: Impact for Asset Managers

In a keenly anticipated development the Cayman Islands was removed from the EU list of non-cooperative tax jurisdictions (the “EU blacklist”) on 6 October 2020 after adopting reforms relating to private funds in September 2020.

This will be welcome news for asset managers with Cayman entities in their structures as their tax compliance concerns return to a pre-2020 ‘normal’. Such asset managers will no longer have to worry about the restrictive, and possibly even punitive, consequences of the defensive measures EU member states are required to adopt by the end of the year, or the additional exercise of evaluating every transaction involving a cross-border deductible payment between an EU or UK entity and the Cayman entity to determine if there is a DAC 6 reporting obligation. We expect that it is less likely that the Cayman Islands will be added to the blacklists of individual member states such as the French list of Non-cooperative States and Territories. However, it remains to be seen whether the Cayman Islands’ fleeting addition to the EU blacklist will have any longer term negative associations for certain investors that may prioritise reputational concerns.

Anguilla and Barbados have been placed on the EU blacklist after peer review reports downgraded each of Anguilla’s and Barbados’ compliance ratings in relation to the international standard on transparency and exchange of information on request. Please refer to our previous article on the potential impact for asset managers of having blacklisted entities in their structures (available [here](#)).

### Attorneys

[David Johns](#)

[Chris Agnoli](#)

[Andrew Douglas](#)

[Brenda A. Coleman](#)

[Andrew Howard](#)