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International Tax Bulletin

European Union Has Reached A Preliminary Agreement To Give Turkey More Time To Meet Tax Transparency Requirements

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European Union has reached a preliminary agreement to give Turkey more time to meet tax transparency requirements. To avoid blacklisting, Turkey was required to adopt laws by the end of last year to automatically exchange tax information with EU states.

According to AFP (Agence France-Presse), the EU's 27 member states, will next week accept to delay the blacklisting of Turkey once again, which was already given a break a year ago. The delay, however, could come with an understanding that putting off the decision any further will no longer be tolerated, with a deadline set for later this year.

The blacklisted countries face only limited sanctions, consisting of freezing them out of European aid or development funding.

The list currently holds Anguilla, American Samoa, Barbados, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

In the scope of automatic exchange of information, Turkey has committed to share financial information regarding FY2019 with EU Countries excluding Germany, Netherlands, Belgium, Austria, and France at the end of FY2020. But despite having been given more than one year to meet the requirement, it failed to do so by the set deadline.

The diplomats stated that Turkey should in theory be listed, but for political reasons it avoided to prevent from a new clash with Ankara. The final decision will be made in the following week.

Kind Regards,

Please contact us for the further details on our international tax bulletin

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