

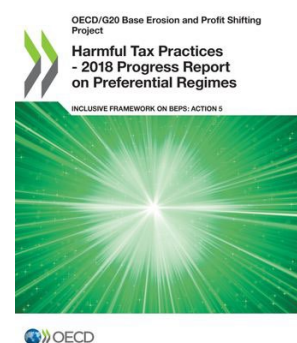
Harmful Tax Practices – Peer Review Results

INCLUSIVE FRAMEWORK ON BEPS: ACTION 5

Update (as of January 2023)

Original report available at:

<http://www.oecd.org/ctp/harmful-tax-practices-2018-progress-report-on-preferential-regimes-9789264311480-en.htm>



Introduction

At its November 2022 meeting, the FHTP updated conclusions for 9 preferential tax regimes. In addition, the FHTP concluded its second annual monitoring process for the effectiveness in practice of the substantial activities requirements in no or only nominal tax jurisdictions. The Inclusive Framework on BEPS approved these results on 22 December 2022.

A summary of the new results provided below as well as a consolidated update of the regimes reported in *Harmful Tax Practices – 2018 Progress Report on Preferential Regimes*.

New regime results – FHTP November 2022 meeting

The below table presents the new results on preferential regimes from the FHTP meeting in November 2022.

	Jurisdiction	Regime	Status	Comments
1.	Albania	Industries incentive (software production / development)	Potentially harmful	Lack of substantial activities requirements.
2.	Armenia	Free economic zones	In the process of being amended	Potentially harmful features will be addressed.
3.	Armenia	Information technology projects	In the process of being amended	Potentially harmful features will be addressed.
4.	Cabo Verde	Maio special economic zone	Not harmful*	New regime, designed in compliance with FHTP standards.
5.	Honduras	Employment and economic development zones (ZEDE)	Abolished	No grandfathering provided.
6.	Hong Kong (China)	Profits tax concessions for ship agents, ship managers and ship brokers	Not harmful	New regime, designed in compliance with FHTP standards.
7.	Jamaica	Special economic zones	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period until 30 March 2023.
8.	North Macedonia	Technological industrial development zone	Not harmful (amended)*	Substance requirements (nexus approach) in place. No grandfathering provided.
9.	Pakistan	Export regime on IT	Abolished	No grandfathering provided.

*Subject to the adoption of final legislation.

2. Subject to the adoption of final legislation by 31 December 2022.

Results on the review of the substantial activities factor for no or only nominal tax jurisdictions

The below table presents the FHTP's conclusions from the second annual monitoring process of the effectiveness in practice of the substantial activities requirements in no or only nominal tax jurisdictions.

	Jurisdiction	Status	Comments	Effectiveness in practice for the year 2021^{1 2}
1.	Anguilla	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) compliance programme and (ii) exchanges of information. Focused monitoring with respect to statistical data.
2.	Bahamas	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) compliance programme and (ii) exchanges of information. Focused monitoring with respect to statistical data.
3.	Bahrain	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
4.	Barbados	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Area that needs to be substantially improved by the next annual monitoring: exchanges of information. Focused monitoring with respect to (i) statistical data and (ii) compliance programme.
5.	Bermuda	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
6.	British Virgin Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
7.	Cayman Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
8.	Guernsey	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
9.	Isle of Man	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
10.	Jersey	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
11.	Turks and Caicos Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) statistical data and substance returns, (ii) compliance programme and (iii) exchanges of information.
12.	United Arab Emirates	Not harmful (amended)	Economic substance requirements were introduced taking effect from 30 April 2019, and subsequently amended on 10 August 2020. The domestic legal framework, as amended, meets all aspects of the standard.	No issues identified.

1. The annual monitoring that took place in 2022 reflected the year 2021.

2. Areas that need to be substantially improved by the next annual monitoring, are those for which the jurisdiction has significant issues with respect to the effectiveness in practice. Areas for focused monitoring during the next annual monitoring, are those for which minor areas for further improvement have been identified.

Consolidated results of regime reviews since 2015

The tables below presents the consolidated results of all regimes reviewed by the FHTP since the BEPS Action 5 report (OECD, 2015^[1]), as at 22 December 2022.

Regimes listed in the 2015 BEPS Action 5 report

1. These tables present an update on the status of regimes listed in the BEPS Action 5 Report (OECD, 2015^[1]).

IP regimes

	Jurisdiction	Regime	Status	Comments
1.	Belgium	Deduction for innovation income	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
2.	China (People's Republic of)	Reduced rate for high & new tech enterprises	Not harmful ¹	No harmful features.
3.	Colombia	Software regime	Abolished	No grandfathering provided.
4.	France	Reduced corporation tax rate on IP income ²	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
5.	Hungary	IP regime for royalties and capital gains	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
6.	Israel	Amended preferred enterprise regime	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
7.	Italy	Taxation of income from intangible assets	Abolished	No grandfathering provided.
8.	Luxembourg	Partial exemption for income/gains derived from certain IP rights	Abolished	Grandfathering period ended on 30 June 2021.
9.	Netherlands	Innovation box	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
10.	Portugal	Partial exemption for income from certain intangible property	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
11.	Spain	Partial exemption for income from certain intangible assets (Federal regime)	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
12.	Spain	Partial exemption for income from certain intangible assets (Basque country)	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
13.	Spain	Partial exemption for income from certain intangible assets (Navarra)	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
14.	Switzerland - Canton of Nidwalden	Licence box	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 31 December 2020.

15.	Türkiye	Technology development zones regime	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
16.	United Kingdom	Patent box	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.

Note: See table 6.1 of the 2015 BEPS Action 5 Report (OECD, 2015^[11]).

1. While the regime did not technically comply with the nexus approach, it was considered functionally equivalent and therefore evaluated as not harmful, given its distinct features and safeguards and the willingness of China to provide additional information.

2. Formerly known as “Reduced rate for long term capital gains and profits from the licensing of IP rights”.

Non-IP regimes

	Jurisdiction	Regime	Status	Comments
1.	Argentina	Promotional regime for software industry	Not harmful	No harmful features.
2.	Australia	Conduit foreign income	Not harmful	No harmful features.
3.	Brazil	PADIS – Semiconductors industry	Not harmful	No harmful features.
4.	Canada	Life insurance business	Potentially harmful but not actually harmful	Ring-fencing implicated, but no harmful economic effects in practice. Regime is subject to annual monitoring.
5.	China (People's Republic of)	Reduced rate for advanced technology services enterprises	Not harmful	No harmful features.
6.	Colombia	Foreign portfolio investment	Not harmful ¹	No harmful features.
7.	Greece	Offshore engineering and construction	Not harmful (amended)	Ring-fencing removed. No grandfathering provided
8.	India	Deductions in respect of certain incomes of offshore banking units and international financial services centre	Not harmful	No harmful features.
9.	India	Special provisions in respect of newly established units in special economic zones	Not harmful	No harmful features.
10.	India	Special provisions relating to income of shipping companies – tonnage tax scheme	Not harmful	No harmful features.
11.	India	Taxation of profit and gains of life insurance business	Not harmful	No harmful features.
12.	Indonesia	Investment allowance regime	Out of scope	No benefits for income from geographically mobile activities.
13.	Indonesia	Public / listed company regime	Out of scope	No benefits for income from geographically mobile activities.
14.	Indonesia	Special economic zone regime	Out of scope	No benefits for income from geographically mobile activities.
15.	Indonesia	Tax holiday regime	Out of scope	No benefits for income from geographically mobile activities.
16.	Japan	Measures for the promotion of research and development	Not harmful ²	No harmful features.
17.	Japan	Special zones for international competitiveness development	Not harmful ³	No harmful features.
18.	Latvia	Shipping taxation regime	Not harmful	No harmful features.
19.	Latvia	Special economic zones	Disadvantaged areas regime	Subject to monitoring to ensure continued low risk of BEPS.
20.	Luxembourg	Investment company in risk capital (Société d'investissement en capital à risque)	Not harmful ⁴	No harmful features.
21.	Luxembourg	Private asset management company (Société de gestion de	Not harmful ⁵	No harmful features.

		patrimoine familial)		
22.	South Africa	Exemption of income in respect of ships used in international shipping	Not harmful	No harmful features.
23.	South Africa	Headquarter company	Potentially harmful but not actually harmful	Ring-fencing implicated, but no harmful economic effects in practice. Regime is subject to annual monitoring.
24.	Switzerland – cantonal level	Auxiliary company regime (previously referred to as domiciliary company regime)	Abolished	No grandfathering provided.
25.	Switzerland – cantonal level	Holding company regime	Abolished	No grandfathering provided.
26.	Switzerland – cantonal level	Mixed company regime	Abolished	No grandfathering provided.
27.	Switzerland – federal level	Commissionaire ruling regime	Abolished	No grandfathering provided.
28.	Switzerland – federal level	Newly established or re-designed enterprises	Disadvantaged areas regime	Subject to monitoring to ensure continued low risk of BEPS.
29.	Türkiye	Shipping regime	Not harmful	No harmful features.

Note: See table 6.2 of the 2015 BEPS Action 5 Report (OECD, 2015^[11]).

1. This conclusion was reached by the FHTP without reaching any conclusion that Colombia's regime was within the scope of the work of the FHTP.
2. This regime was considered prior to the approval of the BEPS Action Plan.
3. See previous table note.
4. See previous table note.
5. See previous table note.

Regimes reviewed after formation of the Inclusive Framework on BEPS

2. The following tables present the results of the review of preferential regimes that have been reviewed since October 2015. The results are presented according to the categories of regime.

IP regimes

	Jurisdiction	Regime	Status	Comments
1.	Andorra	Special regime for exploitation of certain intangibles ¹	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 31 December 2020.
2.	Curaçao	Innovation box	Not harmful	New regime, designed in compliance with FHTP standards.
3.	Greece	Tax patent incentives	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
4.	India	Tax on income from patent	Not harmful	Substance requirements (nexus approach) in place.
5.	Ireland	Knowledge development box	Not harmful	New regime, designed in compliance with FHTP standards.
6.	Israel	Preferred technological enterprise regime	Not harmful	New regime, designed in compliance with FHTP standards.
7.	Korea	Special taxation for transfer, acquisition, etc. of technology	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
8.	Liechtenstein	IP box	Abolished	Grandfathering period ended on 31 December 2020.
9.	Lithuania	IP regime	Not harmful	New regime, designed in compliance with FHTP standards.
10.	Luxembourg	IP regime	Not harmful	New regime, designed in compliance with FHTP standards.

11.	Malta	Patent box	Abolished	Grandfathering period ended on 30 June 2021.
12.	Malta	Patent box deduction rules	Not harmful	New regime, designed in compliance with FHTP standards.
13.	Mauritius	Innovation box	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
14.	North Macedonia	Technological industrial development zone	Not harmful (amended) ²	Substance requirements (nexus approach) in place. No grandfathering provided.
15.	Panama	City of knowledge technical zone	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
16.	Panama	General IP regime	Not harmful	New regime, designed in compliance with FHTP standards.
17.	Poland	IP box	Not harmful	New regime, designed in compliance with FHTP standards.
18.	San Marino	IP regime provided by law no. 102/2004	Abolished	No grandfathering provided.
19.	San Marino	IP regime	Not harmful	New regime, designed in compliance with FHTP standards.
20.	Singapore	IP development incentive	Not harmful	New regime, designed in compliance with FHTP standards.
21.	Slovak Republic	Patent box	Not harmful	New regime, designed in compliance with FHTP standards.
22.	Switzerland – cantonal level	Patent box	Not harmful	New regime, designed in compliance with FHTP standards
23.	Türkiye	5/B regime	Not harmful	New regime, designed in compliance with FHTP standards.
24.	Viet Nam	IP benefits (transfer of technology)	Out of scope	No benefits for income from geographically mobile activities.
IP regimes that are also reviewed as non-IP regimes³				
25.	Albania	Industries incentive (software production / development)	Potentially harmful	Lack of substantial activities requirements.
26.	Armenia	Free economic zones	In the process of being amended	Potentially harmful features will be addressed.
27.	Armenia	Information technology projects	In the process of being amended	Potentially harmful features will be addressed.
28.	Aruba	Exempt company	Abolished	Grandfathering period ended on 30 June 2021.
29.	Aruba	Free zone	Abolished	Grandfathering period ended on 30 June 2021.
30.	Barbados	International business companies	Abolished	Grandfathering period ended on 30 June 2021.
31.	Barbados	International societies with restricted liability	Abolished	Grandfathering period ended on 30 June 2021.
32.	Belize	International business companies	Abolished ⁴	Grandfathering period ended on 30 June 2021.
33.	Botswana	International financial services company	Abolished	No grandfathering provided.
34.	Brunei Darussalam	Investment incentives regime ⁵	Potentially harmful but not actually harmful	Lack of substantial activities requirements and transparency factor implicated, but no harmful economic effects in practice. Regime is subject to annual monitoring.
35.	Cook Islands	International companies	Abolished	Grandfathering period ended on 31 December 2021.
36.	Curaçao	Curaçao investment company ⁶	Not harmful (amended) ⁷	Substance requirements (nexus approach) in place. No grandfathering provided.
37.	Curaçao	Export facility	Abolished	No grandfathering provided.
38.	Dominica	International business companies	Abolished	Grandfathering period ended on 30 June

				2021.
39.	Eswatini	Special economic zones	In the process of being amended	Potentially harmful features will be addressed.
40.	Honduras	Free zones (ZOLI)	In the process of being eliminated/amended	Potentially harmful features will be addressed.
41.	Honduras	Employment and economic development zones (ZEDE)	Abolished	No grandfathering provided.
42.	Jordan	Aqaba special economic zone	In the process of being amended	Potentially harmful features will be addressed.
43.	Jordan	Development zone	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
44.	Kazakhstan	Special economic zones	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
45.	Kenya	Special economic zone	Not operational	Regime not operational.
46.	Lithuania	Free economic zone taxation regime	Disadvantaged areas regime	Subject to monitoring to ensure continued low risk of BEPS.
47.	Lithuania	Large scale investment projects	Not harmful	New regime, designed in compliance with FHTP standards.
48.	Macau (China)	Macau offshore institution	Abolished	Grandfathering period ended on 31 December 2020.
49.	Malaysia	Biotechnology industry	Abolished	Grandfathering period ended on 30 June 2021.
50.	Malaysia	MSC Malaysia	Abolished	Grandfathering period ended on 30 June 2021.
51.	Malaysia	Pioneer status – High technology	Out of scope (amended)	No benefits for income from geographically mobile activities. Grandfathering period ended on 30 June 2021.
52.	Malaysia	Principal hub	Abolished	No grandfathering provided.
53.	Mauritius	Foundations	Abolished	Grandfathering in accordance with FHTP timelines.
54.	Mauritius	Global business license 1	Abolished	Grandfathering period ended on 30 June 2021.
55.	Mauritius	Global business license 2	Abolished	Grandfathering period ended on 30 June 2021.
56.	Mauritius	Trusts	Abolished	Grandfathering in accordance with FHTP timelines.
57.	Mongolia	Free trade zones	Abolished	No grandfathering provided.
58.	Paraguay	Investment of capital from abroad	Not operational	Regime not operational.
59.	Qatar	Free zone areas	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering in accordance with FHTP timelines.
60.	Qatar	Free zone at science & technology park	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering in accordance with FHTP timelines.
61.	Saint Kitts and Nevis	Companies act	Abolished	Grandfathering period ended on 30 June 2021.
62.	Saint Kitts and Nevis	Nevis business corporation	Abolished ⁸	Grandfathering period ended on 30 June 2021.
63.	Saint Kitts and Nevis	Nevis LLC	Abolished ⁹	Grandfathering period ended on 30 June 2021.
64.	Saint Lucia	International business company	Abolished	Grandfathering period ended on 30 June 2021.

65.	Saint Lucia	International partnership	Abolished	Grandfathering period ended on 30 June 2021.
66.	Saint Lucia	International trust	Abolished	Grandfathering period ended on 30 June 2021.
67.	Saint Vincent and the Grenadines	International business companies	Abolished	Grandfathering period ended on 30 June 2021.
68.	Saint Vincent and the Grenadines	International trusts	Abolished	Grandfathering period ended on 30 June 2021.
69.	San Marino	New companies regime provided by art. 73, law no. 166/2013	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
70.	San Marino	Regime for high-tech start-up companies under law no. 71/2013 and delegated decree no. 116/2014	Abolished	Grandfathering period ended on 30 June 2021.
71.	Seychelles	Companies special license	Abolished	Grandfathering period ended on 30 June 2021.
72.	Seychelles	International business companies	Abolished	No grandfathering provided.
73.	Seychelles	International trade zone	Abolished	Grandfathering period ended on 30 June 2021.
74.	Singapore	Development and expansion incentive - services	Abolished	Grandfathering period ended on 30 June 2021.
75.	Singapore	Pioneer service company	Abolished	Grandfathering period ended on 30 June 2021.
76.	Thailand	International business centre	Not harmful	New regime, designed in compliance with FHTP standards.
77.	Thailand	International headquarters and treasury centre	Abolished	No grandfathering provided.
78.	Thailand	Regional operating headquarters 1	Abolished	No grandfathering provided.
79.	Thailand	Regional operating headquarters 2	Abolished	No grandfathering provided.
80.	United States	Foreign-derived intangible income (FDII)	In the process of being eliminated	The United States has committed to abolish this regime.
81.	Uruguay	Benefits under law 16.906 for biotechnology	Abolished	No grandfathering provided.
82.	Uruguay	Benefits under lit S art. 52 for biotechnology and for software	Not harmful (amended)	Substance requirements (nexus approach) in place. Grandfathering period ended on 30 June 2021.
83.	Uruguay	Free zones	Not harmful (amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
84.	Viet Nam	Export processing zone	Out of scope	No benefits for income from geographically mobile activities.

1. Formerly known as “Companies involved in the international exploitation of intangible assets”.

2. Subject to the adoption of final legislation by 31 December 2022.

3. Some preferential regimes provides for benefits to both income from IP and other non-IP geographically mobile activities. These “dual category” regimes are reviewed as both an IP regime and a non-IP regime and therefore have to comply with both substantial activities requirements and two separate conclusions are applicable to the regime.

4. The regime is abolished as of 1 January 2020. For the year 2019, international business companies were not subject to substantial activities requirements. In addition, new entrants in the regime and new assets/activities of grandfathered taxpayers could wrongfully benefit from grandfathering during the period 16 October 2017 – 31 December 2019. This issue is now historical only.

5. Formerly known as “Pioneer services companies”.

6. Formerly known as “Tax exempt entity”.

7. In the period September 2019 – July 2020, a decree on substantial activities was in effect, but was withdrawn by Curaçao as it did not seem to meet the FHTP’s requirements.

8. The preferential tax treatment for this regime has been abolished; however, Nevis business corporations can still be registered in Saint Kitts and Nevis with no tax preference.

9. The preferential tax treatment for this regime has been abolished; however, Nevis Limited Liability Companies can still be registered in Saint Kitts and Nevis with no tax preference.

Headquarters regimes

	Jurisdiction	Regime	Status	Comments
1.	Barbados	International business companies ¹	Abolished	Grandfathering period ended on 30 June 2021.
2.	Chile	Business platform regime	Abolished	Grandfathering period ended on 31 December 2021.
3.	Kenya	Special economic zone ²	Not operational	Regime not operational.
4.	Malaysia	Principal hub ³	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. No grandfathering provided.
5.	Mauritius	Global business license 1	Abolished	Grandfathering period ended on 30 June 2021.
6.	Mauritius	Global business license 2	Abolished	Grandfathering period ended on 30 June 2021.
7.	Mauritius	Global headquarters administration regime	Not harmful	No harmful features.
8.	Panama	Multinational headquarters	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
9.	Philippines	Regional operating headquarters	Abolished	No grandfathering provided.
10.	Philippines	Regional or area headquarters	Out of scope	No benefits for income from geographically mobile activities.
11.	Seychelles	Companies special license ⁴	Abolished	Grandfathering period ended on 30 June 2021.
12.	Singapore	Development and expansion incentive – services	Not harmful	No harmful features.
13.	Singapore	Pioneer service company	Not harmful	No harmful features.
14.	Thailand	International business centre	Not harmful	New regime, designed in compliance with FHTP standards.
15.	Thailand	International headquarters and treasury centre	Abolished	No grandfathering provided.
16.	Thailand	Regional operating headquarters 1	Abolished	Grandfathering period ended on 31 December 2020.
17.	Thailand	Regional operating headquarters 2	Abolished	No grandfathering provided.
18.	Türkiye	Regional headquarters / regional management centre	Out of scope	No benefits for income from geographically mobile activities.

1. Also reviewed as a financing and leasing regime.

2. Also reviewed as a distribution and service centre regime.

3. Also reviewed as a financing and leasing regime.

4. Also reviewed as a financing and leasing regime.

Financing and leasing regimes

	Jurisdiction	Regime	Status	Comments
1.	Andorra	Intercompany and financing regime	Abolished	Grandfathering period ended on 31 December 2020.
2.	Antigua and Barbuda	International business corporations	Abolished	No grandfathering provided.
3.	Aruba	Exempt company	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
4.	Barbados	International business companies ¹	Abolished	Grandfathering period ended on 30 June

				2021.
5.	Barbados	International financial services	Abolished	Grandfathering period ended on 30 June 2021.
6.	Barbados	International trusts ²	Abolished	No grandfathering provided.
7.	Belize	International business companies	Abolished ³	Grandfathering period ended on 30 June 2021.
8.	Botswana	International financial services company	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
9.	Cabo Verde	International financial institution	Abolished	Grandfathering period ended on 31 December 2021.
10.	Curaçao	Curaçao investment company ⁴	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
11.	Dominica	International business companies	Abolished	Grandfathering period ended on 30 June 2021.
12.	Georgia	International financial company	Abolished	No grandfathering provided.
13.	Hong Kong (China)	Profits tax concession for aircraft lessors and aircraft leasing managers	Not harmful	No harmful features.
14.	Hong Kong (China)	Profits tax concession for corporate treasury centres	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
15.	Hong Kong (China)	Profits tax concession for ship lessors and ship leasing managers	Not harmful	New regime, designed in compliance with FHTP standards.
16.	Kazakhstan	Astana international financial centre	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
17.	Malaysia	Labuan leasing	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. No grandfathering provided.
18.	Malaysia	Principal hub ⁵	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. No grandfathering provided.
19.	Malaysia	Treasury management centre	Abolished	Grandfathering period ended on 30 June 2021.
20.	Mauritius	Global treasury activities	Not harmful	No harmful features.
21.	Montserrat	International business companies	Abolished	No grandfathering provided.
22.	Morocco	Casablanca finance city	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 31 December 2022.
23.	Qatar	Qatar financial centre (QFC)	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
24.	Saint Kitts and Nevis	Companies act	Abolished	Grandfathering period ended on 30 June 2021.
25.	Saint Kitts and Nevis	Nevis business corporation	Abolished ⁶	Grandfathering period ended on 30 June 2021.
26.	Saint Kitts and Nevis	Nevis LLC	Abolished ⁷	Grandfathering period ended on 30 June 2021.
27.	Saint Lucia	International business company	Abolished	Grandfathering period ended on 30 June 2021.
28.	Saint Lucia	International partnership	Abolished	Grandfathering period ended on 30 June 2021.
29.	Saint Lucia	International trusts ⁸	Abolished	Grandfathering period ended on 30 June 2021.
30.	Saint Vincent and the Grenadines	International business companies	Abolished	Grandfathering period ended on 30 June 2021.
31.	Saint Vincent and the Grenadines	International trusts ⁹	Abolished	Grandfathering period ended on 30 June 2021.
32.	San Marino	Financing regime provided by law no. 102/2004	Abolished	No grandfathering provided.
33.	Seychelles	Companies special license ¹⁰	Abolished	Grandfathering period ended on 30 June 2021.

34.	Seychelles	International business companies	Abolished	No grandfathering provided.
35.	Singapore	Aircraft leasing scheme	Not harmful	No harmful features.
36.	Singapore	Finance and treasury centre	Not harmful	No harmful features.
37.	Sint Maarten	Tax exempt company	In the process of being eliminated	Potentially harmful features will be addressed.

1. Also reviewed as a headquarters regime.
2. Also reviewed as a holding company regime.
3. The regime is abolished as of 1 January 2020. For the year 2019, international business companies were not subject to substantial activities requirements. In addition, new entrants in the regime and new assets/activities of grandfathered taxpayers could wrongfully benefit from grandfathering during the period 16 October 2017 – 31 December 2019. This issue is now historical only.
4. Formerly known as “Tax exempt entity”.
5. Also reviewed as a headquarters regime.
6. The preferential tax treatment for this regime has been abolished; however, Nevis business corporations can still be registered in Saint Kitts and Nevis with no tax preference.
7. The preferential tax treatment for this regime has been abolished; however, Nevis Limited Liability Companies can still be registered in Saint Kitts and Nevis with no tax preference.
8. Also reviewed as a holding company regime.
9. Also reviewed as a holding company regime.
10. Also reviewed as a headquarters regime.

Banking and insurance regimes

	Jurisdiction	Regime	Status	Comments
1.	Antigua and Barbuda	International banking	Abolished	No grandfathering provided.
2.	Australia	Offshore banking unit	Abolished	Grandfathering in accordance with FHTP timelines.
3.	Barbados	Exempt insurance	Abolished	Grandfathering period ended on 30 June 2021.
4.	Barbados	Insurance regime	Not harmful	New regime, designed in compliance with FHTP standards.
5.	Barbados	Qualifying insurance companies	Abolished	No grandfathering provided.
6.	Canada	International banking centres	Abolished	No grandfathering provided.
7.	Cook Islands	Captive insurance	Abolished	No grandfathering provided.
8.	Cook Islands	International banking	Abolished	Grandfathering period ended on 31 December 2021.
9.	Cook Islands	International insurance companies	Abolished	No grandfathering provided.
10.	Dominica	Offshore banking	Abolished	Grandfathering period ended on 30 June 2021.
11.	Hong Kong (China)	Profits tax concession for captive insurers	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
12.	Hong Kong (China)	Profits tax concession for professional reinsurers	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
13.	Hong Kong (China)	Profits tax concession for specified insurers and licensed insurance broker companies	Not harmful	New regime, designed in compliance with FHTP standards.
14.	Macau (China)	Macau offshore institution	Abolished	Grandfathering period ended on 31 December 2020.
15.	Malaysia	Labuan financial services	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. No grandfathering provided.
16.	Malaysia	Re-insurance and re-takaful business ¹	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
17.	Mauritius	Banks holding a banking licence under the Banking Act 2004	Not harmful	New regime, designed in compliance with FHTP standards.
18.	Mauritius	Banks holding a banking licence under the Banking Act 2004 ('Segment B banking')	Abolished	Grandfathering period ended on 30 June 2019.

19.	Mauritius	Captive insurance	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
20.	Mauritius	Investment banking	Abolished	Grandfathering period ended on 30 June 2021.
21.	Morocco	Banks and holding companies in offshore zones	Abolished	No grandfathering provided.
22.	Nigeria	Free trade zones ²	Not operational	Regime not operational.
23.	Seychelles	Fund administration business	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
24.	Seychelles	Non-domestic insurance business	Abolished	Grandfathering period ended on 30 June 2021.
25.	Seychelles	Offshore banking	Abolished	No grandfathering provided.
26.	Seychelles	Reinsurance business	Abolished	No grandfathering provided.
27.	Seychelles	Securities businesses under the securities act	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
28.	Singapore	Financial sector incentive	Not harmful	No harmful features.
29.	Singapore	Insurance business development	Not harmful (amended)	Ring-fencing removed. Grandfathering period ended on 30 June 2021.
30.	Thailand	International banking facilities	Abolished	Grandfathering period ended on 31 December 2020.
31.	Tunisia	Offshore banking	Abolished	Grandfathering period ended on 31 December 2020.

1. Formerly known as “Inward re-insurance and offshore insurance”.

2. Also reviewed as a distribution and service centre regime.

Distribution centre and service centre regimes

	Jurisdiction	Regime	Status	Comments
1.	Andorra	Companies involved in international trade	Abolished	Grandfathering period ended on 31 December 2020.
2.	Armenia	Free economic zones	In the process of being amended	Potentially harmful features will be addressed.
3.	Armenia	Information technology projects	in the process of being amended.	Potentially harmful features will be addressed.
4.	Aruba	Free zone	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
5.	Barbados	Fiscal incentives act	Out of scope	No benefits for income from geographically mobile activities.
6.	Cabo Verde	Maio special economic zone	Not harmful ¹	New regime, designed in compliance with FHTP standards.
7.	Costa Rica	Free trade zone	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
8.	Curaçao	Export facility	Abolished	No grandfathering provided.
9.	Curaçao	E-Zone	Out of scope (amended)	Benefits for income from geographically mobile activities removed. No grandfathering provided.
10.	Dominican Republic	Border development	In the process of being amended	Potentially harmful features will be addressed.
11.	Dominican Republic	Free trade zones	Out of scope (amended)	Benefits for income from geographically mobile activities removed.

				No grandfathering provided.
12.	Dominican Republic	Logistics centres	In the process of being amended	Potentially harmful features will be addressed.
13.	Eswatini	Special economic zones	In the process of being amended	Potentially harmful features will be addressed.
14.	Gabon	Special economic zone	In the process of being amended	Potentially harmful features will be addressed.
15.	Georgia	Free industrial zone	Out of scope	No benefits for income from geographically mobile activities.
16.	Georgia	Special trade company	Out of scope	No benefits for income from geographically mobile activities.
17.	Georgia	Virtual zone person	Potentially harmful but not actually harmful	Ring-fencing and substantial activities factor implicated, but no harmful economic effects in practice. Regime is subject to annual monitoring.
18.	Honduras	Free zones (ZOLI)	In the process of being eliminated/amended	Potentially harmful features will be addressed.
19.	Honduras	Employment and economic development zones (ZEDE)	Abolished	No grandfathering provided.
20.	Jamaica	Special economic zones	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period until 30 March 2023.
21.	Jordan	Aqaba special economic zone	In the process of being amended	Potentially harmful features will be addressed.
22.	Jordan	Development zones	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. No grandfathering provided.
23.	Jordan	Free trade zones	Abolished	No grandfathering provided.
24.	Kazakhstan	Special economic zones	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
25.	Kenya	Export processing zone	Out of scope	No benefits for income from geographically mobile activities.
26.	Kenya	Special economic zone ²	Not operational	Regime not operational.
27.	Korea	Foreign investment zone	Out of scope	No benefits for income from geographically mobile activities.
28.	Korea	Free economic zone / free trade zone	Out of scope	No benefits for income from geographically mobile activities.
29.	Lithuania	Free economic zone taxation regime	Not harmful	No harmful features.
30.	Malaysia	Approved service projects	Out of scope	No benefits for income from geographically mobile activities.
31.	Malaysia	Green technology services	Not harmful	No harmful features.
32.	Malaysia	Malaysian international trading company	Out of scope	No benefits for income from geographically mobile activities.
33.	Malaysia	Special economic regions	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
34.	Mauritius	Freeport zone	Out of scope (amended)	Benefits for income from geographically mobile activities removed. Grandfathering period ended on 30 June 2021.
35.	Mongolia	Free trade zones	Abolished	No grandfathering provided.
36.	Morocco	Export societies	Out of scope	No benefits for income from geographically mobile activities.
37.	Morocco	Free trade zones	Out of scope	No benefits for income from geographically mobile activities.

38.	Nigeria	Free trade zones ³	Out of scope	No benefits for income from geographically mobile activities.
39.	Pakistan	Export regime on IT	Abolished	No grandfathering provided.
40.	Panama	Colon free zone	Out of scope	No benefits for income from geographically mobile activities.
41.	Panama	Panama-Pacifico special economic zone	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
42.	Paraguay	Free zone	Out of scope	No benefits for income from geographically mobile activities.
43.	Peru	Special economic zone 1 (Ceticos / ZED)	Out of scope	No benefits for income from geographically mobile activities.
44.	Peru	Special economic zone 2 (Zofratacna)	Not harmful	No harmful features.
45.	Qatar	Free zone areas	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering in accordance with FHTP timelines.
46.	Qatar	Free zone at science & technology park	Not harmful (amended)	Substance requirements (nexus approach and non-IP) in place. Grandfathering in accordance with FHTP timelines.
47.	Saint Kitts and Nevis	Fiscal incentives act	Out of scope	No benefits for income from geographically mobile activities.
48.	Seychelles	International trade zone	Out of scope (amended)	Benefits for income from geographically mobile activities removed. Grandfathering period ended on 30 June 2021.
49.	Singapore	Global trader programme	Not harmful	No harmful features.
50.	Thailand	International trade centre	Abolished	No grandfathering provided.
51.	Trinidad and Tobago	Free trade zones	Harmful	Ring-fencing and exchange of information factors implicated.
52.	Tunisia	Export regime	Abolished	Grandfathering period ended on 31 December 2020.
53.	Uruguay	Free zones	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
54.	Uruguay	Shared service centre	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
55.	Viet Nam	Disadvantaged areas	Out of scope	No benefits for income from geographically mobile activities.
56.	Viet Nam	Economic zones	Out of scope	No benefits for income from geographically mobile activities.
57.	Viet Nam	Export processing zone	Out of scope	No benefits for income from geographically mobile activities.
58.	Viet Nam	Industrial parks/zones	Out of scope	No benefits for income from geographically mobile activities.

1. Subject to the adoption of final legislation.

2. Also reviewed as a headquarters regime.

3. Also reviewed as a banking and insurance regime.

Shipping regimes

	Jurisdiction	Regime	Status	Comments
1.	Antigua and Barbuda	Tonnage tax ¹	Not harmful	Ring-fencing removed.

			(amended)	No grandfathering provided.
2.	Aruba	Shipping and aviation	Not harmful	No harmful features.
3.	Barbados	Shipping regime	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
4.	Cabo Verde	International shipping	Not harmful (amended)	Ring-fencing removed. No grandfathering provided.
5.	Hong Kong (China)	Profits tax concessions for ship agents, ship managers and ship brokers	Not harmful	New regime, designed in compliance with FHTP standards.
6.	Hong Kong (China)	Profits tax exemptions for ship operators	Not harmful	No harmful features.
7.	Liberia	Shipping regime	Not harmful	No harmful features.
8.	Lithuania	Tonnage tax regime	Not harmful	No harmful features.
9.	Malta	Tonnage tax system	Not harmful	No harmful features.
10.	Mauritius	Shipping regime	Not harmful	No harmful features.
11.	Panama	Shipping regime	Not harmful	No harmful features.
12.	Singapore	Maritime sector incentive	Not harmful	No harmful features.

Note: The determination of substantial activity in the context of shipping regimes recognises that significant core income generating activities within shipping are performed in transit outside of the jurisdiction of the shipping regime, and that the value creation attributable to the core income generating activities that occur from a fixed location is more limited than for other types of regimes for mobile business income. The determination further considered whether the regime was designed to ensure that the qualifying taxpayer handles all corporate law and regulatory compliance of the shipping company with any additional obligations within the jurisdiction such as ship registration including compliance with International Maritime Organisation (“IMO”) regulations, customs and manning requirements (noting the various regulatory requirements for shipping identified in the Consolidated Application Note) consistent with the IMO definition.

1. This regime applies from 2021. The shipping regime under the Antigua and Barbuda Merchant Shipping Act 2006 has been abolished.

Holding company regimes

	Jurisdiction	Regime	Status	Comments
1.	Andorra	Holding company regime	Not harmful (amended)	Ring-fencing removed. Grandfathering period ended on 31 December 2020.
2.	Barbados	International societies with restricted liability	Abolished	Grandfathering period ended on 30 June 2021.
3.	Barbados	International trusts ¹	Abolished	No grandfathering provided.
4.	Saint Lucia	International trusts ²	Abolished	Grandfathering period ended on 30 June 2021.
5.	Saint Vincent and the Grenadines	International trusts ³	Abolished	Grandfathering period ended on 30 June 2021.

1. Also reviewed as a financing and leasing regime.

2. Also reviewed as a financing and leasing regime.

3. Also reviewed as a financing and leasing regime.

Fund management regimes

	Jurisdiction	Regime	Status	Comments
1.	Hong Kong (China)	Profits tax concession for carried interest	Not harmful	New regime, designed in compliance with FHTP standards.
2.	Malaysia	Foreign fund management	Not harmful	No harmful features.

Miscellaneous regimes

	Jurisdiction	Regime	Status	Comments
1.	Albania	Industries incentive (software production / development)	Potentially harmful	Lack of substantial activities requirements.

2.	Aruba	Imputation payment company	Potentially harmful but not actually harmful From 1 January 2026: Abolished	Lack of substantial activities requirements, but no harmful economic effects in practice. Regime is subject to annual monitoring.
3.	Aruba	Investment promotion	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 31 December 2022.
4.	Aruba	San Nicolas	Abolished	Grandfathering period ended on 31 December 2020.
5.	Barbados	Credit for foreign currency earnings / Credit for overseas project or services	Abolished	No grandfathering provided.
6.	Brunei Darussalam	Investment incentives regime ¹	Potentially harmful but not actually harmful	Lack of substantial activities requirements and transparency factor implicated, but no harmful economic effects in practice. Regime is subject to annual monitoring.
7.	Cabo Verde	Incentive for internationalization	Out of scope	No benefits for income from geographically mobile activities.
8.	Cabo Verde	International business centre	Out of scope (amended)	Benefits for income from geographically mobile activities removed. No grandfathering provided.
9.	Cook Islands	Development investment incentives	Abolished	No grandfathering provided.
10.	Cook Islands	Incentive for certain public works	Abolished	No grandfathering provided.
11.	Cook Islands	International companies	Abolished	Grandfathering period ended on 31 December 2021.
12.	Curaçao	Qualifying activities regime ²	Not harmful	New regime, designed in compliance with FHTP standards.
13.	Georgia	International company	Not harmful	New regime, designed in compliance with FHTP standards.
14.	Lithuania	Large scale investment projects	Out of scope	No benefits for income from geographically mobile activities.
15.	Malaysia	Biotechnology industry	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
16.	Malaysia	International currency business unit	Abolished	Grandfathering period ended on 30 June 2021.
17.	Malaysia	MSC Malaysia	Not harmful (amended)	Ring-fencing removed. Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
18.	Malaysia	Pioneer status – Contract R&D	Not harmful (amended)	Substance requirements (non-IP) in place. Grandfathering period ended on 30 June 2021.
19.	Maldives	Reduced tax rates on profits sourced outside Maldives	Abolished	No grandfathering provided.
20.	Mauritius	Foundations	Abolished	Grandfathering in accordance with FHTP timelines.
21.	Mauritius	Partial exemption system	Not harmful	New regime, designed in compliance with FHTP standards.
22.	Mauritius	Trusts	Abolished	Grandfathering in accordance with FHTP timelines.
23.	Paraguay	Investment guarantee	Out of scope	No benefits for income from geographically mobile activities.
24.	Paraguay	Investment of capital from abroad	Out of scope	No benefits for income from geographically mobile activities.

25.	San Marino	High innovative enterprise regime	Not harmful	New regime, designed in compliance with FHTP standards.
26.	San Marino	New companies regime provided by art. 73, law no. 166/2013	Not harmful	No harmful features.
27.	San Marino	Regime for high-tech start-up companies under law no. 71/2013 and delegated decree no. 116/2014	Abolished	Grandfathering period ended on 30 June 2021.
28.	Singapore	DEI-Legal services	Abolished	Grandfathering period ended on 30 June 2020.
29.	Singapore	International growth scheme	Abolished	Grandfathering period ended on 30 June 2021.
30.	United States	Foreign-derived intangible income (FDII)	In the process of being eliminated	The United States has committed to abolish this regime.
31.	Uruguay	Benefits under law 16.906 for biotechnology	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
32.	Uruguay	Benefits under lit S art. 52 for biotechnology and for software	Not harmful (amended)	Substance requirements (non-IP) in place. No grandfathering provided.
33.	Uruguay	Financial company reorganisation	Abolished	Regime abolished before FHTP assessment. No grandfathering provided.
34.	Uruguay	Investment law incentives under law 16.096	Out of scope	No benefits for income from geographically mobile activities.
35.	Uruguay	Tax system according to the source principle	Out of scope	No divergence from the jurisdiction's general tax system.
36.	Viet Nam	Software production	Potentially harmful but not actually harmful	Lack of substantial activities requirements, but no harmful economic effects in practice. Regime is subject to annual monitoring.

1. Formerly known as "Pioneer services companies".

2. In the period January – July 2020, a decree on substantial activities was in effect, but was withdrawn by Curaçao as it did not seem to meet the FHTP's requirements.

Results on the review of the substantial activities factor for no or only nominal tax jurisdictions

3. The below table presents the results on the review of the substantial activities factor for no or only nominal tax jurisdictions, and from the first annual monitoring process of the effectiveness in practice of the standard, as at 22 December 2022. These results include the FHTP's review of legislation, regulations and guidance issued since the June 2019 FHTP meeting.

	Jurisdiction	Status	Legal framework	Effectiveness in practice for the year 2021 ¹
1.	Anguilla	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) compliance programme and (ii) exchanges of information. Focused monitoring with respect to statistical data.
2.	Bahamas	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) compliance programme and (ii) exchanges of information. Focused monitoring with respect to statistical data.
3.	Bahrain	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
4.	Barbados	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019.	Area that needs to be substantially improved by the next annual monitoring: exchanges of

			Domestic legal framework meets all aspects of the standard.	information. Focused monitoring with respect to (i) statistical data and (ii) compliance programme.
5.	Bermuda	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
6.	British Virgin Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
7.	Cayman Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Focused monitoring with respect to compliance programme.
8.	Guernsey	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
9.	Isle of Man	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
10.	Jersey	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	No issues identified.
11.	Turks and Caicos Islands	Not harmful	Economic substance requirements were introduced taking effect from 1 January 2019. Domestic legal framework meets all aspects of the standard.	Areas that need to be substantially improved by the next annual monitoring: (i) statistical data and substance returns, (ii) compliance programme and (iii) exchanges of information.
12.	United Arab Emirates	Not harmful (amended)	Economic substance requirements were introduced taking effect from 30 April 2019, and subsequently amended on 10 August 2020. The domestic legal framework, as amended, meets all aspects of the standard.	No issues identified.

1. The annual monitoring that took place in 2022 reflected the year 2021.

2. Areas that need to be substantially improved by the next annual monitoring, are those for which the jurisdiction has significant issues with respect to the effectiveness in practice. Areas for focused monitoring during the next annual monitoring, are those for which minor areas for further improvement have been identified.