

Luxembourg is back on the OECD “white” list dated July 8, 2009

According to the press release published today on the OECD’s website (Organisation for Economic Co-operation and Development), Luxembourg has officially been removed from the OECD “grey” list of “non cooperative jurisdictions” (i.e. jurisdictions that have committed to the internationally agreed tax standard, but have not yet substantially implemented it).

As mentioned in our previous Flash News alert dated July, 3, Luxembourg recently entered into several Double Tax Treaties (DTTs) (either by signing brand new DTTs or by amending existing ones) complying with OECD principles on exchange of information, following the publication of the “grey” list by the OECD last April within the framework of the G-20 London Summit.

To date, with already 12 DTTs providing for exchange of information upon request and in specific cases, in line with the OECD standards, Luxembourg has just crossed the threshold for being considered to have “substantially implemented the internationally agreed tax standard” and is thereby the second country to be placed on the OECD “white” list since last April.

Welcoming the recent signings, OECD Secretary-General Angel Gurría said: “I commend Luxembourg for its swift implementation of the OECD standards on exchange of information. In three months, Luxembourg has turned into reality its commitment to fully cooperate in tax matters. I would like to congratulate Minister Luc Frieden for his leadership in this process”.

In line with the spirit and purpose of this collective effort, and as previously announced by Luxembourg Minister for the Treasury and Budget Mr Frieden, the Luxembourg government intends to continue negotiating agreements and hopes to bring the number of DTTs which meet the OECD standard to 20 before the end of 2009.

Praising this approach, Mr. Gurría emphasised that “Luxembourg has shown that countries are increasingly prepared to enter into high quality agreements and to extend the network of treaties which meet the OECD standard. The process is working and I look forward to other countries following the example that Luxembourg has set.”

The Luxembourg government has shown that it was quick to react and that it remained committed to complying with international tax cooperation standards. This should help the Luxembourg DTT network expand even further and facilitate the renegotiation/enhancement of existing DTTs where needed.

Contacts

For further information, please contact the PricewaterhouseCoopers
Luxembourg Tax experts:

Wim Piot

Partner

+352 49 48 48-57 73

wim.piot@lu.pwc.com

Valéry Civilio

Partner

+352 49 48 48-31 70

valery.civilio@lu.pwc.com

PricewaterhouseCoopers

400, route d'Esch, B.P. 1443
L-1014 Luxembourg
Telephone +352 49 48 48-1
Facsimile +352 49 48 48-2900

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