SVG Placed on OECD White List

24 March 2010

Kingstown, ST. VINCENT: St. Vincent and the Grenadines (SVG) has been “white-listed” by the Organization for Economic Co-operation and Development (OECD). This follows the completion by St. Vincent and the Grenadines on March 24, 2010, of six Tax Information Exchange Agreements (TIEAs), respectively with the following Nordic countries: the Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden. Signing these TIEAs in Paris on behalf of St. Vincent and the Grenadines was H.E. Wafic Said, Ambassador of St. Vincent and the Grenadines to UNESCO.

These six TIEAs carried St. Vincent and the Grenadines over the threshold of the twelve TIEAs stipulated by the OECD, required to demonstrate that the country has implemented the internationally agreed tax standards.

St Vincent and the Grenadines was “grey-listed” in April 2009 by the OECD, signifying that it was a jurisdiction which had “committed to the internationally agreed tax standard but had not yet substantially implemented” its commitments. Numerous other Caribbean countries including all the countries of the Organization of Eastern Caribbean States (OECS) were also grey listed.

St. Vincent and the Grenadines has now been able to demonstrate that it has substantially implemented the internationally agreed tax standards by having established to date not just twelve, but in total seventeen TIEAs. The other TIEAs which were previously signed are with: Aruba; Australia; Austria; Belgium; Denmark; Ireland; Liechtenstein; New Zealand; the Kingdom of the Netherlands; the Netherlands Antilles; and the United Kingdom of Great Britain and Northern Ireland.

TIEAs with Germany and France are also scheduled to be signed before March 31, 2010. Negotiations are also ongoing with Canada for the establishment of a TIEA.

The “white listing” of St. Vincent and the Grenadines by the OECD is exceedingly positive news for the jurisdiction. St. Vincent and the Grenadines has suffered reputational damage in the past due to negative labelling by international organizations, such as for example, the 2000 ‘blacklisting’ by the Financial Action Task Force (FATF) and the OECD. Though owing to significant legislative and administrative changes made, St. Vincent and the Grenadines was able to come off these FATF and OECD ‘blacklists’ in 2003, the injury to SVG’s reputation was unfortunately far reaching, and even lingers to date in certain international financial circles. This sometimes makes it difficult or in some cases impossible, for St. Vincent and the Grenadines’ licensed entities to conduct business with some international entities. St. Vincent and the Grenadines has therefore been involved in intensive negotiations for the past several months in order for the country to be removed from the OECD’s grey list of so called ‘tax havens’. These efforts bore fruit when the OECD immediately recognized the country’s progress after the March 24th signing with the six aforementioned Nordic countries.

The OECD has also acknowledged the significant progress made by Caribbean countries in the establishment of TIEAs. Also white listed by the OECD at the same time with St. Vincent and the Grenadines were Anguilla and St. Kitts and Nevis. In the OECS, Dominica, Grenada, Montserrat and

St. Lucia remain grey listed but are expected to be removed in May this year.

The next step for the OECD is a Peer Review process whereby countries will be assessed to see if they have in fact implemented the legal and regulatory framework for the exchange of information. St. Vincent and the Grenadines is scheduled to undergo such a review in 2011. The country will work towards ensuring that it has all requirements in place to satisfy such a review.

Source: The International Financial Services Authority on behalf of the Ministry of Finance.

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