Remarks by Vice-President Valdis Dombrovskis at the ECOFIN press conference

Thank you, Minister.

And thanks for delivering on important tax files today.

The Commission welcomes the agreement on an updated list of non-cooperative tax jurisdictions. This list was first agreed by Member States in December 2017. It has become an important tool to tackle risks of tax abuse and unfair tax competition globally.

This works because the EU is speaking with one voice to its international partners to address concerns in the field of taxation. And this process delivers results: so far, 60 countries have taken action on the Commission's concerns and over 100 harmful regimes have been eliminated.

Based on the Commission's screening, ministers blacklisted today 15 countries:

- Of those 15 countries, 5 have taken no commitments since the first blacklist adopted in 2017: American Samoa, Guam, Samoa, Trinidad and Tobago, and US Virgin Islands.
- 3 other countries were on the 2017 list, but were moved to the grey list following commitments they had taken. But the commitments have not been followed. So we are blacklisting those countries again: Barbados, Marshall Islands and United Arab Emirates.
- A further 7 countries were moved today from the grey list to the blacklist for the same reason: Aruba, Belize, Bermuda, Dominica, Fiji, Oman and Vanuatu.

There is still a grey list with 34 countries, which will continue to be monitored in 2019.

To conclude, the list is a valuable policy tool, because it impacts and changes global tax practices for the better. This is why I would like to thank all Ministers for their support for this exercise.

Ministers also discussed the taxation of the digital economy, also taking into account the latest international developments. And once again, an agreement was not possible, which the Commission regrets.

Our concern is that this will lead to the fragmentation of the single market, as several countries have taken steps to table digital tax legislation at national level. The Commission will continue to take active part in the global conversation on this matter. We also hope for EU countries to speak with one voice in international fora. This is important, because our economy is becoming increasingly digital and thus our tax systems – increasingly outdated.

In this context I welcome the agreement on new rules to simplify the VAT collection on online sales. Coming into force as of January 2021, these new measures should help Member States to recover some EUR 5 billion in lost tax revenues in this sector each year. This figure is increasing and is expected to rise to EUR 7 billion by 2020.

On the financial services side, I would like to thank Ministers for their constant support for the Capital Markets Union files.

Several important deals have been reached in the past couple of weeks. We have now agreed 9 out of 13 CMU proposals, plus 2 proposals on sustainable finance.

This shows that our political will has been turned into deeds. And this Friday I will be in the Commission press room to give a detailed update on the Capital Markets Union project and once again I would like to thank the Presidency for their dedicated push in this area.

Let me also mention that we presented Ministers with our Winter European Semester package – country reports and conclusions of our in-depth macroeconomic analysis for 13 countries. The reports give detailed assessment of economic and social challenges in each Member State. This is a first step in our dialogue with Member States, which are now preparing their national reform programmes.

Throughout the mandate this Commission has fostered national ownership of reforms. This is what this process is really about. Because ownership is what counts when it comes to delivering these reforms.

Last but not least, Finnish Finance Minister Petteri Orpo presented the initiative by Chile and Finland to create a Finance Minister Coalition for Climate Change. We warmly welcome this initiative, and I see it as complementary to our efforts. Because to deliver on the Paris Climate Agreement, we need massive investment efforts in green and sustainable projects. This implies scaling up both public and private investment.

When it comes to mobilizing private investment, last night the responsible European Parliament committees voted on our proposal to set up an EU classification or taxonomy for climate and environmentally-friendly economic activities. This draft law is crucial to unlock investment in green projects, because it creates common definitions for what is actually green. Without this clarity, without this EU classification system, we are a bit stuck.

We need a taxonomy to offer trustworthy green financial products to institutional and retail investors alike, and the demand for that kind of products is growing very rapidly.

This is why I call on Member States to agree on the general approach on taxonomy as soon as possible, to bring also preparedness on the Council side. Because every day lost is time lost in the fight against climate change.

Thank you.