

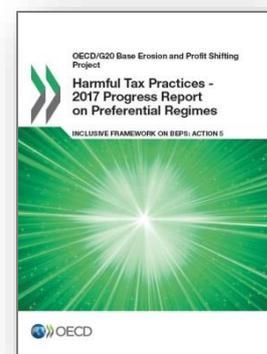
# Harmful Tax Practices – Peer Review Results on Preferential Regimes

INCLUSIVE FRAMEWORK ON BEPS: ACTION 5

Update (as of November 2018)

Original report available at:

[www.oecd.org/tax/beps/harmful-tax-practices-2017-progress-report-on-preferential-regimes-9789264283954-en.htm](http://www.oecd.org/tax/beps/harmful-tax-practices-2017-progress-report-on-preferential-regimes-9789264283954-en.htm)



## Introduction

On 13 November 2018, the Inclusive Framework on BEPS approved updates to the results of reviews of preferential tax regimes conducted in connection with BEPS Action 5. The data below presents the conclusions of the work on regime reviews. The results below are a consolidated update of the regimes reported in *Harmful Tax Practices – 2017 Progress Report on Preferential Regimes*. Please note that this is the last update to the 2017 Progress Report. Any new updates on regime results will be published in the 2018 Progress Report, which can be found here:

[www.oecd.org/tax/beps/harmful-tax-practices-2018-progress-report-on-preferential-regimes-9789264311480-en.htm](http://www.oecd.org/tax/beps/harmful-tax-practices-2018-progress-report-on-preferential-regimes-9789264311480-en.htm).

New results have been agreed in respect of the following regimes:

	Jurisdiction	Regime	Status
1.	Andorra	Special regime for exploitation of certain intangibles <sup>1</sup>	Amended (not harmful) <b>(NEW)</b>
2.	Andorra	Holding company regime	Amended (not harmful) <b>(NEW)</b>
3.	Andorra	Companies involved in international trade	Abolished <b>(NEW)</b>
4.	Andorra	Intercompany and financing regime	Abolished <b>(NEW)</b>
5.	Aruba	Exempt company (IP and non-IP)	In the process of being eliminated/amended <b>(NEW)</b>
6.	Aruba	Free zone	In the process of being eliminated/amended <b>(NEW)</b>
7.	Aruba	Shipping and aviation	Not harmful <b>(NEW)</b>
8.	Aruba	San Nicolas	Abolished <b>(NEW)</b>
9.	Aruba	IPC	Under review <b>(NEW)</b>
10.	Aruba	Investment promotion	Under review <b>(NEW)</b>
11.	Australia	Offshore banking unit	In the process of being amended <b>(NEW)</b>
12.	Brunei Darussalam	Pioneer services companies (IP and non-IP)	Under review <b>(NEW)</b>
13.	Curaçao	Innovation box	Under review <b>(NEW)</b>
14.	Curaçao	Export facility (IP and non-IP)	Abolished <b>(NEW)</b>
15.	Curaçao	E-Zone	Amended (out of scope) <b>(NEW)</b>
16.	Gabon	Special economic zone	Under review <b>(NEW)</b>
17.	Greece	Tax patent incentives	Under review <b>(NEW)</b>
18.	Hong Kong (China)	Profits tax concession for corporate treasury centres	Amended (not harmful) <b>(NEW)</b>
19.	Hong Kong (China)	Profits tax concession for professional reinsurers	Amended (not harmful) <b>(NEW)</b>
20.	Hong Kong (China)	Profits tax concession for captive insurers	Amended (not harmful) <b>(NEW)</b>
21.	Jordan	Aqaba special economic zone (IP and non-IP)	Under review <b>(NEW)</b>
22.	Kazakhstan	AIFC	Under review <b>(NEW)</b>
23.	Kazakhstan	Special economic zones (IP and non-IP)	Under review <b>(NEW)</b>

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

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
24.	Kenya	Special economic zone (IP and non-IP)	Not operational <b>(NEW)</b>
25.	Lithuania	IP regime	Not harmful <sup>2</sup> <b>(NEW)</b>
26.	Malaysia	International currency business unit	Under review <b>(NEW)</b>
27.	Maldives	Reduced tax rates on profits sourced outside Maldives	In the process of being eliminated <b>(NEW)</b>
28.	Mauritius	Freeport zone	Amended (out of scope) <b>(NEW)</b>
29.	Mauritius	Captive insurance	Amended (not harmful) <b>(NEW)</b>
30.	Mauritius	Global business license 1 (IP and non-IP)	Abolished <b>(NEW)</b>
31.	Mauritius	Global business license 2 (IP and non-IP)	Abolished <b>(NEW)</b>
32.	Mauritius	Partial exemption system	Not harmful <b>(NEW)</b>
33.	Mauritius	Banks holding a banking license under the Banking Act 2004 (Segment B banking)	Abolished <b>(NEW)</b>
34.	Mauritius	Banks holding a banking license under the Banking Act 2004	Not harmful <b>(NEW)</b>
35.	Mongolia	Free trade zones (IP and non-IP)	In the process of being eliminated <b>(NEW)</b>
36.	Montserrat	International business companies	In the process of being eliminated <b>(NEW)</b>
37.	Panama	General IP regime	Under review <b>(NEW)</b>
38.	Paraguay	Investment of capital from abroad (IP and non-IP)	Under review <b>(NEW)</b>
39.	Paraguay	Free zone	Out of scope <b>(NEW)</b>
40.	Paraguay	Investment guarantee	Under review <b>(NEW)</b>
41.	Philippines	Regional operating headquarters	In the process of being eliminated <b>(NEW)</b>
42.	Saint Kitts and Nevis	Nevis LLC	Under review <b>(NEW)</b>
43.	Saint Kitts and Nevis	Nevis business corporation	Under review <b>(NEW)</b>
44.	Saint Kitts and Nevis	Companies act	Under review <b>(NEW)</b>
45.	Saint Kitts and Nevis	Fiscal incentives act	Out of scope <b>(NEW)</b>
46.	Saint Lucia	International business company (IP and non-IP)	In the process of being eliminated/amended <b>(NEW)</b>
47.	Saint Lucia	International trust (IP and non-IP)	In the process of being eliminated/amended <b>(NEW)</b>
48.	Saint Lucia	International partnership (IP and non-IP)	In the process of being eliminated/amended <b>(NEW)</b>
49.	San Marino	IP regime	Not harmful <b>(NEW)</b>
50.	San Marino	New companies regime provided by art. 73, law no. 166/2013	Amended (not harmful) <b>(NEW)</b>
51.	San Marino	Regime for high-tech start-up companies under law no. 71/2013 and delegated decree no. 116/2014 (IP and non-IP)	Amended (not harmful) <b>(NEW)</b>
52.	Spain	Partial exemption for income from certain intangible assets (Federal regime)	Amended (not harmful) <sup>3</sup> <b>(NEW)</b>
53.	United States	Foreign-derived intangible income (FDII) (IP and non-IP)	Under review <b>(NEW)</b>

The results will be updated from time to time as approved by the Inclusive Framework.

<sup>2</sup> Subject to final adoption of new legislation.

<sup>3</sup> Spain's partial exemption for income from certain intangible assets was inconsistent with the nexus approach for IP assets acquired from related parties for the period from 1 January 2017 to 31 December 2017 and for new taxpayers entering the regime in the period from 1 July 2016 to 31 December 2017.

## Regimes listed in the 2015 BEPS Action 5 Report

The tables below present an update on the status of regimes listed in the 2015 BEPS Action 5 Report.

### *IP regimes*<sup>4</sup>

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Belgium	Patent income deduction	Amended (not harmful)
2.	China (People's Republic of)	Reduced rate for high & new tech enterprises	Not harmful <sup>5</sup>
3.	Colombia	Software regime	Abolished
4.	France	Reduced rate for long term capital gains and profits from the licensing of IP rights	Harmful <sup>6</sup>
5.	Hungary	IP regime for royalties and capital gains	Amended (not harmful)
6.	Israel	Amended preferred enterprise regime	Amended (not harmful)
7.	Italy	Taxation of income from intangible assets	Amended (not harmful) except for the extension to new entrants for trademark <sup>7</sup> between 1 July 2016 and 31 December 2016, which is harmful
8.	Luxembourg	Partial exemption for income/gains derived from certain IP rights	Abolished
9.	Netherlands	Innovation box	Amended (not harmful)
10.	Portugal	Partial exemption for income from certain intangible property	Amended (not harmful)
11.	Spain	Partial exemption for income from certain intangible assets (Federal regime)	Amended (not harmful) <sup>8</sup> <b>(NEW)</b>
12.	Spain	Partial exemption for income from certain intangible assets (Basque country)	In the process of being amended
13.	Spain	Partial exemption for income from certain intangible assets (Navarra)	In the process of being amended
14.	Switzerland - Canton of Nidwalden	Licence box	Amended (not harmful)
15.	Turkey	Technology development zones regime	Amended (not harmful) except for the extension to new entrants between 1 July 2016 and 19 October 2017, which is harmful
16.	United Kingdom	Patent box	Amended (not harmful)

### *Non-IP regimes*<sup>9</sup>

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Argentina	Promotional regime for software industry	Not harmful
2.	Australia	Conduit foreign income	Not harmful
3.	Brazil	PADIS – Semiconductors industry	Not harmful
4.	Canada	Life insurance business	Potentially harmful but not actually harmful
5.	China (People's Republic of)	Reduced rate for advanced technology services enterprises	Not harmful
6.	Colombia	Foreign portfolio investment	Not harmful <sup>10</sup>

<sup>4</sup> See table 6.1 of the 2015 BEPS Action 5 Report.

<sup>5</sup> 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.

<sup>6</sup> The regime is not consistent with the nexus approach.

<sup>7</sup> The Italian IP regime did not and does not include in the eligible assets any marketing related assets other than trademarks.

<sup>8</sup> Spain's partial exemption for income from certain intangible assets was inconsistent with the nexus approach for IP assets acquired from related parties for the period from 1 January 2017 to 31 December 2017 and for new taxpayers entering the regime in the period from 1 July 2016 to 31 December 2017.

<sup>9</sup> See table 6.2 of the 2015 BEPS Action 5 Report

<sup>10</sup> 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.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
7.	Greece	Offshore engineering and construction	Amended (not harmful)
8.	India	Deductions in respect of certain incomes of offshore banking units and international financial services centre	Not harmful
9.	India	Special provisions in respect of newly established units in special economic zones	Not harmful
10.	India	Special provisions relating to income of shipping companies – tonnage tax scheme	Not harmful
11.	India	Taxation of profit and gains of life insurance business	Not harmful
12.	Indonesia	Public / listed company regime	Out of scope
13.	Indonesia	Investment allowance regime	Out of scope
14.	Indonesia	Special economic zone regime	Out of scope
15.	Indonesia	Tax holiday regime	Out of scope
16.	Japan	Special zones for international competitiveness development	Not harmful <sup>11</sup>
17.	Japan	Measures for the promotion of research and development	Not harmful <sup>12</sup>
18.	Latvia	Shipping taxation regime	Not harmful
19.	Latvia	Special economic zones	Disadvantaged area regime
20.	Luxembourg	Private asset management company (Société de gestion de patrimoine familial)	Not harmful <sup>13</sup>
21.	Luxembourg	Investment company in risk capital (Société d'investissement en capital à risque)	Not harmful <sup>14</sup>
22.	South Africa	Headquarter company	Potentially harmful but not actually harmful
23.	South Africa	Exemption of income in respect of ships used in international shipping	Not harmful
24.	Switzerland – cantonal level	Auxiliary company regime (previously referred to as domiciliary company regime)	In the process of being eliminated <sup>15</sup>
25.	Switzerland – cantonal level	Mixed company regime	In the process of being eliminated <sup>16</sup>
26.	Switzerland – cantonal level	Holding company regime	In the process of being eliminated <sup>17</sup>
27.	Switzerland – federal level	Commissionaire ruling regime	In the process of being eliminated <sup>18</sup>
28.	Switzerland – federal level	Newly established or re-designed enterprises	Disadvantaged area regime
29.	Turkey	Shipping regime	Not harmful <sup>19</sup>

## Regimes reviewed since October 2015

The following tables present the results of the review of preferential regimes reviewed since October 2015, as of 13 November 2018. The results are presented according to the categories of regime.

<sup>11</sup> This regime was considered prior to the approval of the BEPS Action Plan.

<sup>12</sup> See footnote 11.

<sup>13</sup> See footnote 11.

<sup>14</sup> See footnote 11.

<sup>15</sup> The tax reform bill, approved in June 2016 by the Federal Parliament was rejected by the Swiss voters on 12 February 2017. The Swiss Government immediately initiated steps for a new proposal to abolish the regimes. The new federal legislation was approved by Parliament on 28 September 2018. Subject to the Swiss constitutional approval process, the intention is for the reform to become effective by 1 January 2020.

<sup>16</sup> See footnote 15.

<sup>17</sup> See footnote 15.

<sup>18</sup> See footnote 15.

<sup>19</sup> See footnote 11.

## IP regimes

	Jurisdiction	Regime	Status
1.	Andorra	Special regime for exploitation of certain intangibles <sup>20</sup>	Amended (not harmful) <b>(NEW)</b>
2.	Curaçao	Innovation box	Under review <b>(NEW)</b>
3.	Greece	Tax patent incentives	Under review <b>(NEW)</b>
4.	India	Tax on income from patent	Not harmful
5.	Ireland	Knowledge development box	Not harmful
6.	Israel	Preferred technological enterprise regime	Not harmful
7.	Korea	Special taxation for transfer, acquisition, etc. of technology	Amended (not harmful)
8.	Liechtenstein	IP box	Abolished
9.	Lithuania	IP regime	Not harmful <sup>21</sup> <b>(NEW)</b>
10.	Luxembourg	IP regime	Not harmful
11.	Malta	Patent box	Abolished
12.	Panama	City of knowledge technical zone	In the process of being amended
13.	Panama	General IP regime	Under review <b>(NEW)</b>
14.	San Marino	IP regime provided by law no. 102/2004	Abolished
15.	San Marino	IP regime	Not harmful <b>(NEW)</b>
16.	Singapore	IP development incentive	Not harmful <sup>22</sup>
17.	Slovak Republic	Patent-box	Not harmful
18.	Turkey	5/B regime	Not harmful
19.	Uruguay	Benefits under law 16.906 for biotechnology	In the process of being amended
20.	Uruguay	Benefits under lit S art. 52 for biotechnology and for software	In the process of being amended
21.	Viet Nam	IP benefits	Under review
<b>IP regimes of new Inclusive Framework members that are also reviewed as non-IP regimes</b>			
1.	Aruba	Exempt company	In the process of being eliminated/amended <b>(NEW)</b>
2.	Barbados	International business companies	In the process of being amended
3.	Barbados	International societies with restricted liability	In the process of being amended
4.	Belize	International business companies	In the process of being amended
5.	Botswana	International financial services company	In the process of being amended
6.	Brunei Darussalam	Pioneer services companies	Under review <b>(NEW)</b>
7.	Curaçao	Curaçao investment company <sup>23</sup>	In the process of being amended
8.	Curaçao	Export facility	Abolished <b>(NEW)</b>
9.	Jordan	Aqaba special economic zone	Under review <b>(NEW)</b>
10.	Jordan	Development zone	Potentially harmful
11.	Kazakhstan	Special economic zones	Under review <b>(NEW)</b>
12.	Kenya	Special economic zone	Not operational <b>(NEW)</b>
13.	Lithuania	Free economic zone taxation regime	Disadvantaged area regime <sup>24</sup>
14.	Macau (China)	Macau offshore institution	In the process of being eliminated/amended
15.	Malaysia	Biotechnology industry	In the process of being amended
16.	Malaysia	MSC Malaysia	In the process of being amended
17.	Malaysia	Pioneer status	In the process of being amended
18.	Malaysia	Principal hub	In the process of being amended
19.	Mauritius	Global business license 1	Abolished <b>(NEW)</b>
20.	Mauritius	Global business license 2	Abolished <b>(NEW)</b>
21.	Mongolia	Free trade zones	In the process of being eliminated <b>(NEW)</b>
22.	Paraguay	Investment of capital from abroad	Under review <b>(NEW)</b>
23.	Saint Kitts and Nevis	Companies act	Under review <b>(NEW)</b>
24.	Saint Kitts and Nevis	Nevis business corporation	Under review <b>(NEW)</b>

<sup>20</sup> Formerly known as “Companies involved in the international exploitation of intangible assets”.

<sup>21</sup> Subject to final adoption of new legislation.

<sup>22</sup> Subject to final adoption of new legislation.

<sup>23</sup> Formerly known as “Tax exempt entity”.

<sup>24</sup> Disadvantaged areas regimes which provide incidental benefits to IP income are acceptable under paragraph 150 of the Action 5 report.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
25.	Saint Kitts and Nevis	Nevis LLC	Under review <b>(NEW)</b>
26.	Saint Lucia	International business company	In the process of being eliminated/amended <b>(NEW)</b>
27.	Saint Lucia	International partnership	In the process of being eliminated/amended <b>(NEW)</b>
28.	Saint Lucia	International trust	In the process of being eliminated/amended <b>(NEW)</b>
29.	San Marino	New companies regime provided by art. 73, law no. 166/2013	Amended (not harmful) <b>(NEW)</b>
30.	San Marino	Regime for high-tech start-up companies under law no. 71/2013 and delegated decree no. 116/2014	Amended (not harmful) <b>(NEW)</b>
31.	Seychelles	Companies special license	In the process of being eliminated
32.	Seychelles	International business companies	In the process of being eliminated
33.	Seychelles	International trade zone	In the process of being eliminated/amended
34.	Singapore	Development and expansion incentive - services	Abolished
35.	Singapore	Pioneer service company	Abolished
36.	Thailand	International headquarters	In the process of being amended
37.	Thailand	Regional operating headquarters	In the process of being amended
38.	United States	Foreign-derived intangible income (FDII)	Under review <b>(NEW)</b>
39.	Uruguay	Free zones	In the process of being amended
40.	Viet Nam	Export processing zone	Out of scope

### *Headquarters regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Barbados	International business companies <sup>25</sup>	In the process of being amended
2.	Chile	Business platform regime	Potentially but not actually harmful From 1 January 2022: Abolished <sup>26</sup>
3.	Kenya	Special economic zone <sup>27</sup>	Not operational <b>(NEW)</b>
4.	Malaysia	Principal hub <sup>28</sup>	In the process of being amended
5.	Mauritius	Global business license 1	Abolished <b>(NEW)</b>
6.	Mauritius	Global business license 2	Abolished <b>(NEW)</b>
7.	Mauritius	Global headquarters administration regime	Not harmful
8.	Panama	Multinational headquarters	In the process of being amended
9.	Philippines	Regional or area headquarters	Out of scope
10.	Philippines	Regional operating headquarters	In the process of being eliminated <b>(NEW)</b>
11.	Seychelles	Companies special license <sup>29</sup>	In the process of being eliminated
12.	Singapore	Development and expansion incentive – services	Not harmful
13.	Singapore	Pioneer service company	Not harmful
14.	Thailand	International headquarters	In the process of being amended
15.	Thailand	Regional operating headquarters	In the process of being amended
16.	Turkey	Regional headquarters / regional management centre	Out of scope

### *Financing and leasing regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Andorra	Intercompany and financing regime	Abolished <b>(NEW)</b>
2.	Aruba	Exempt company	In the process of being eliminated/amended <b>(NEW)</b>
3.	Barbados	International business companies <sup>30</sup>	In the process of being amended

<sup>25</sup> Also reviewed as a financing and leasing regime.

<sup>26</sup> In accordance with Law No. 21,047 no new taxpayers will benefit from this regime as from 23 November 2017. With regard to existing business platform companies, the law provides for a grandfathering period which expires by December 31, 2021. Therefore, this regime will be considered completely abolished by 1 January 2022.

<sup>27</sup> Also reviewed as a distribution and service centre regime.

<sup>28</sup> Also reviewed as a financing and leasing regime.

<sup>29</sup> Also reviewed as a financing and leasing regime.

<sup>30</sup> Also reviewed as a headquarters regime.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
4.	Barbados	International financial services	In the process of being amended
5.	Barbados	International trusts <sup>31</sup>	In the process of being amended
6.	Belize	International business companies	In the process of being amended
7.	Botswana	International financial services company	In the process of being amended
8.	Curaçao	Curaçao investment company <sup>32</sup>	In the process of being amended
9.	Georgia	International financial company	Potentially harmful but not actually harmful <sup>33</sup>
10.	Hong Kong (China)	Profits tax concession for corporate treasury centres	Amended (not harmful) <b>(NEW)</b>
11.	Hong Kong (China)	Profits tax concessions for aircraft lessors and aircraft leasing managers	Not harmful
12.	Kazakhstan	AIFC	Under review <b>(NEW)</b>
13.	Malaysia	Treasury management centre	Abolished
14.	Malaysia	Labuan leasing	Amended (not harmful)
15.	Malaysia	Principal hub <sup>34</sup>	In the process of being amended
16.	Mauritius	Global treasury activities	Not harmful
17.	Montserrat	International business companies	In the process of being eliminated <b>(NEW)</b>
18.	Saint Kitts and Nevis	Nevis LLC	Under review <b>(NEW)</b>
19.	Saint Kitts and Nevis	Nevis business corporation	Under review <b>(NEW)</b>
20.	Saint Kitts and Nevis	Companies act	Under review <b>(NEW)</b>
21.	Saint Lucia	International business company	In the process of being eliminated/amended <b>(NEW)</b>
22.	Saint Lucia	International trust	In the process of being eliminated/amended <b>(NEW)</b>
23.	Saint Lucia	International partnership	In the process of being eliminated/amended <b>(NEW)</b>
24.	San Marino	Financing regime provided by law no. 102/2004	Abolished
25.	Seychelles	International business companies	In the process of being eliminated
26.	Seychelles	Companies special license <sup>35</sup>	In the process of being eliminated
27.	Singapore	Aircraft leasing scheme	Not harmful
28.	Singapore	Finance and treasury centre	Not harmful
29.	Sint Maarten	Tax exempt company	Under review
30.	Thailand	Treasury centre regime	In the process of being amended

### ***Banking and insurance regimes***

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Australia	Offshore banking unit	In the process of being amended <b>(NEW)</b>
2.	Barbados	Exempt insurance	In the process of being amended
3.	Barbados	Qualifying insurance companies	In the process of being amended
4.	Canada	International banking centres	Abolished
5.	Hong Kong (China)	Profits tax concession for professional reinsurers	Amended (not harmful) <b>(NEW)</b>
6.	Hong Kong (China)	Profits tax concession for captive insurers	Amended (not harmful) <b>(NEW)</b>
7.	Macau (China)	Macau offshore institution	In the process of being eliminated/amended
8.	Malaysia	Inward re-insurance and offshore insurance regime	In the process of being amended
9.	Malaysia	Labuan financial services	In the process of being amended
10.	Mauritius	Captive insurance	Amended (not harmful) <b>(NEW)</b>
11.	Mauritius	Banks holding a banking licence under the Banking Act 2004 ('Segment B banking')	Abolished <b>(NEW)</b>

<sup>31</sup> Also reviewed as a holding company regime.

<sup>32</sup> Formerly known as "Tax exempt entity".

<sup>33</sup> This regime has potentially harmful features on account of ring-fencing.

<sup>34</sup> Also reviewed as a headquarters regime.

<sup>35</sup> Also reviewed as a headquarters regime.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
12.	Mauritius	Banks holding a banking licence under the Banking Act 2004	Not harmful <b>(NEW)</b>
13.	Mauritius	Investment banking	Not harmful
14.	Nigeria	Free trade zones <sup>36</sup>	Under review
15.	Seychelles	Non-domestic insurance business	In the process of being eliminated
16.	Seychelles	Offshore banking	In the process of being eliminated
17.	Seychelles	Fund administration business	In the process of being amended
18.	Seychelles	Securities businesses under the securities act	In the process of being amended
19.	Seychelles	Reinsurance business	Potentially harmful but not actually harmful <sup>37</sup>
20.	Singapore	Insurance business development	Amended (not harmful)
21.	Singapore	Financial sector incentive	Not harmful
22.	Thailand	International banking facilities	In the process of being eliminated/amended

### *Distribution centre and service centre regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Andorra	Companies involved in international trade	Abolished <b>(NEW)</b>
2.	Aruba	Free zone	In the process of being eliminated/amended <b>(NEW)</b>
3.	Barbados	Fiscal incentives act	Out of scope
4.	Costa Rica	Free trade zone	In the process of being amended
5.	Curaçao	Export facility	Abolished <b>(NEW)</b>
6.	Curaçao	E-Zone	Amended (out of scope) <b>(NEW)</b>
7.	Gabon	Special economic zone	Under review <b>(NEW)</b>
8.	Georgia	Free industrial zone	Out of scope
9.	Georgia	Special trade company	Out of scope
10.	Georgia	Virtual zone person	Potentially harmful but not actually harmful <sup>38</sup>
11.	Jordan	Aqaba special economic zone	Under review <b>(NEW)</b>
12.	Jordan	Development zones	Potentially harmful <sup>39</sup>
13.	Jordan	Free trade zones	Potentially harmful <sup>40</sup>
14.	Kazakhstan	Special economic zones	Under review <b>(NEW)</b>
15.	Kenya	Export processing zone	Out of scope
16.	Kenya	Special economic zone <sup>41</sup>	Not operational <b>(NEW)</b>
17.	Korea	Foreign investment zone	Out of scope
18.	Korea	Free economic zone / free trade zone	Out of scope
19.	Lithuania	Free economic zone taxation regime	Not harmful
20.	Malaysia	Approved service projects	Out of scope
21.	Malaysia	Green technology services	Not harmful
22.	Malaysia	Malaysian international trading company	Out of scope
23.	Malaysia	Special economic regions	In the process of being amended
24.	Mauritius	Freeport zone	Amended (out of scope) <b>(NEW)</b>
25.	Mongolia	Free trade zones	In the process of being eliminated <b>(NEW)</b>
26.	Nigeria	Free trade zones <sup>42</sup>	Under review
27.	Panama	Colon free zone	Out of scope
28.	Panama	Panama-Pacifico special economic zone	In the process of being amended
29.	Paraguay	Free zone	Out of scope <b>(NEW)</b>
30.	Peru	Special economic zone 1 (Ceticos / ZED)	Out of scope
31.	Peru	Special economic zone 2 (Zofraticna)	Not harmful
32.	Saint Kitts and Nevis	Fiscal incentives act	Out of scope <b>(NEW)</b>
33.	Seychelles	International trade zone	In the process of being amended

<sup>36</sup> Also reviewed as a distribution and service centre regime.

<sup>37</sup> This regime has potentially harmful features on account of ring-fencing.

<sup>38</sup> This regime has potentially harmful features on account of ring-fencing and a lack of substantial activities.

<sup>39</sup> This regime has potentially harmful features on account of ring-fencing.

<sup>40</sup> This regime has potentially harmful features on account of ring-fencing.

<sup>41</sup> Also reviewed as a headquarters regime.

<sup>42</sup> Also reviewed as a banking and insurance regime.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
34.	Singapore	Global trader programme	Not harmful
35.	Thailand	International trade centre	In the process of being eliminated/amended
36.	Trinidad and Tobago	Free trade zones	In the process of being eliminated <sup>43</sup>
37.	Uruguay	Free zones	In the process of being amended
38.	Uruguay	Shared service centre	Amended (not harmful)
39.	Viet Nam	Disadvantaged areas	Under review
40.	Viet Nam	Economic zones	Under review
41.	Viet Nam	Export processing zone	Out of scope
42.	Viet Nam	Industrial parks/zones	Out of scope

### *Shipping regimes<sup>44</sup>*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Aruba	Shipping and aviation	Not harmful <b>(NEW)</b>
2.	Barbados	Shipping regime	In the process of being eliminated
3.	Hong Kong (China)	Profits tax exemptions for ship operators	Not harmful
4.	Liberia	Shipping regime	Not harmful
5.	Lithuania	Tonnage tax regime	Not harmful
6.	Malta	Tonnage tax system	Not harmful
7.	Mauritius	Shipping regime	Not harmful
8.	Panama	Shipping regime	Not harmful
9.	Singapore	Maritime sector incentive	Not harmful

### *Holding company regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Andorra	Holding company regime	Amended (not harmful) <b>(NEW)</b>
2.	Barbados	International societies with restricted liability	In the process of being amended
3.	Barbados	International trusts <sup>45</sup>	In the process of being amended

### *Fund management regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Malaysia	Foreign fund management	Not harmful

### *Miscellaneous regimes*

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
1.	Aruba	Investment promotion	Under review <b>(NEW)</b>
2.	Aruba	IPC	Under review <b>(NEW)</b>
3.	Aruba	San Nicolas	Abolished <b>(NEW)</b>
4.	Barbados	Credit for foreign currency earnings / Credit for overseas project or services	In the process of being amended
5.	Brunei Darussalam	Pioneer services companies	Under review <b>(NEW)</b>
6.	Malaysia	Biotechnology industry	In the process of being amended
7.	Malaysia	International currency business unit	Under review <b>(NEW)</b>
8.	Malaysia	MSC Malaysia	In the process of being amended
9.	Malaysia	Pioneer status	In the process of being amended

<sup>43</sup> A Cabinet decision to repeal the regime was made on 16 March 2017 following recommendations made in the Special Economic Zones Policy for Trinidad and Tobago prepared by the Ministry of Trade and Industry.

<sup>44</sup> 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.

<sup>45</sup> Also reviewed as a financing and leasing regime.

	<b>Jurisdiction</b>	<b>Regime</b>	<b>Status</b>
10.	Maldives	Reduced tax rates on profits sourced outside Maldives	In the process of being eliminated <b>(NEW)</b>
11.	Mauritius	Partial exemption system	Not harmful <b>(NEW)</b>
12.	Paraguay	Investment guarantee	Under review <b>(NEW)</b>
13.	Paraguay	Investment of capital from abroad	Under review <b>(NEW)</b>
14.	San Marino	New companies regime provided by art. 73, law no. 166/2013	Not harmful <b>(NEW)</b>
15.	San Marino	Regime for high-tech start-up companies under law no. 71/2013 and delegated decree no. 116/2014	Not harmful <b>(NEW)</b>
16.	Singapore	DEI-Legal services	Abolished
17.	Singapore	International growth scheme	Abolished
18.	United States	Foreign-derived intangible income (FDII)	Under review <b>(NEW)</b>
19.	Uruguay	Benefits under law 16.906 for biotechnology	In the process of being amended
20.	Uruguay	Benefits under lit S art. 52 for biotechnology and for software	In the process of being amended
21.	Uruguay	Financial company reorganisation	Abolished
22.	Uruguay	Investment law incentives under law 16.096	Out of scope
23.	Uruguay	Tax system according to the source principle	Out of scope