

Netherlands publishes list of low-tax jurisdictions

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The Netherlands has published a [list](#) of 21 jurisdictions – including five on the EU list of non-cooperative jurisdictions – which are considered low-tax for Dutch tax purposes.

As of 1 January 2019, Dutch taxpayers holding an interest of 25% or more in an entity established in a listed jurisdiction are required to include certain items of that entity's passive income in their taxable income under CFC (controlled foreign corporation) rules.

Exceptions may apply, such as if the entity has sufficient substance. The list will have a broader application in the future. For example, pursuant to a new ruling policy which will come into effect later this year (see [this](#) In context article), no tax rulings will be issued for transactions involving entities established in a listed jurisdiction. And as of 2021, interest and royalties paid to entities established in a listed jurisdiction will be subject to a 20.5% withholding tax. Clients should review their corporate structures to determine whether these include entities established in listed jurisdictions.