



Addendum

to the

[EIF Policy on Offshore Financial Centres and Governance Transparency](#)

## I. Background

In the course of its Plenary Meeting in Jakarta on 21 and 22 November 2013, the OECD Global Forum on Transparency and Information for Tax Purposes (“**Global Forum**”) published the outcome of its peer review process for a first group of 50 jurisdictions after completion of Phase 2 of the country assessment.

The EIF supports the efforts made by the Global Forum to ensure an enlarged representation of jurisdictions involved in the Peer Review Process and the publication of these final country ratings, which identify areas of non-compliance with tax transparency standards in all jurisdictions concerned.

It is reminded that the OECD is one of the Lead Organisations for the purposes of the application of the [EIF Policy on Offshore Financial Centres and Governance Transparency](#) (“EIF OFC Policy”, cf.). As a consequence:

- Countries which have completed Phase 1 but where the Global Forum has found material deficiencies and barred their transition to Phase 2 until additional steps, deemed sufficient by the Global Forum, have been taken by the jurisdictions; and
- Countries with material deficiencies which were given an overall rating by the Global Forum of “partially compliant” or “non-compliant” after Phases 1 and 2,

(hereafter jointly “**Global Forum-listed countries**”) are therefore considered as “Monitored Jurisdictions” by the EIF as from the date of publication of the Global Forum Phase 1 country report/overall rating, as applicable and are subject to the rules applicable to such Monitored Jurisdictions set out in the EIF OFC Policy. These rules include, inter alia, the need, under certain circumstances, to envisage the relocation of EIF counterparts or structural elements of such counterparts.

The European Investment Bank has published an addendum to its Policy Towards Weakly Regulated, Non-transparent and Uncooperative Jurisdictions (“[EIB NCJ Policy](#)”), which, under certain circumstances, suspends the relocation requirement contained in the EIB NCJ Policy on a temporary basis for jurisdictions, which, under the application of the EIF OFC Policy qualify as Monitored Jurisdictions, subject to the fulfilment of specific milestones towards full compliance with the internationally agreed tax standard.

As a member institution of EIB Group, EIF recognises the relevance of the policy approach taken in the addendum of the EIB NCJ Policy. With a view to streamlining its policy framework to the EIB Group policy framework, EIF has therefore decided on the following addendum to the EIF OFC Policy. Capitalised terms shall have the meaning and interpretation attributed to them in the EIF OFC Policy, unless otherwise defined herein.

1. Consequently, and following the decision of its Board of Directors, the EIF suspends the relocation requirement contained in the EIF OFC Policy (i) for as long as the suspension period under the EIB NCJ Policy applies and (ii) under the same conditions for such suspension as referred to in the addendum to the EIB NCJ Policy, with the consequence that
  - As regards new transactions, EIF is not obliged to request from its financial intermediaries the relocation of any structural element including an OFC Link as defined in the EIF OFC Policy;
  - As regards existing transactions, EIF is not obliged to use its best endeavours to request from its financial intermediaries the relocation of any structural element including an OFC Link as defined in the EIF OFC Policy; provided that
  - For the avoidance of doubt, EIF shall, subject to the amendment referred to below under 2., not participate in or otherwise provide financial support to a Target Structure, with an OFC Link to a Prohibited Jurisdiction, or to jurisdictions in relation to which (i) the suspension periods referred to in the addendum to the EIB NCJ Policy are exhausted or (ii) the Global Forum has confirmed its evaluation of such jurisdiction as non-compliant or partially compliant with the internationally agreed tax standard.
2. Furthermore, the EIF Board of Directors approved an amendment to the EIF OFC Policy to the extent that EIF shall be authorized to participate in or otherwise provide financial support to financial intermediaries in Monitored or Prohibited Jurisdictions, provided that the final beneficiaries of such financial support are legally domiciled in such Monitored or Prohibited Jurisdiction and provided further that the transaction in question is not artificially structured or otherwise used for purposes of money laundering, the financing of terrorism, fraud, tax evasion, tax avoidance or other harmful tax practices.

The EIF Board of Directors will be informed about the status of the compliance of the jurisdictions concerned with the above conditions and milestones.