

# EU list of non-cooperative jurisdictions for tax purposes

Read this if you or your company are a tax resident in one of the countries that are in the [EU list of non-cooperative jurisdictions for tax purposes](#).

As of 21.02.2023 Russia (along with a few other countries) has been added to the EU list of non-cooperative jurisdictions for tax purposes. In other words, from the official announcement, Russia no longer cooperates with the European Union in matters of taxation.

## Receiving invoices from an entity located in a country that is part of EU list of non-cooperative jurisdictions for tax purposes.

According to European Council's website, the [EU list of non-cooperative jurisdictions for tax purposes](#) is composed of countries that have failed to fulfill their commitments to comply with tax good governance criteria within a specific timeframe and countries which have refused to do so. The list is reviewed and updated twice a year.

When we, as an Estonian company, buy services from a legal person registered in a country that is added to the EU list of non-cooperative jurisdictions for tax purposes then our company (and other Estonian companies) is obligated to withhold income tax of 20% from the invoice sum while making the payment. The withholding income tax is declared and paid to Estonian Tax Authorities. The obligation to withhold income tax arises if, at the time of making the payment, the vendor country is included in the EU list of non-cooperative jurisdictions for tax purposes with whom Estonia has not concluded a double tax treaty.

# Invoicing an entity located in a country that is part of EU list of non-cooperative jurisdictions for tax purposes.

The same rules apply if the services are business related and ordered for the Estonian company's (Cloud68.co OÜ in this case) benefit.

## Is there a solution if an entity listed in the EU list of non-cooperative jurisdictions for tax purposes?

Due to the reasons listed (above), current sanctions, and our finance management office internal policies, we can NOT currently allow payments to or from Russian entities. We know this is a very delicate situation, but at the moment we can not avoid this. We are monitoring the situation and will update this page if there is a change.

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