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VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY

**U.S. VIRGIN ISLANDS GOVERNMENT RESPONDS TO UNJUSTIFIED
DESIGNATION BY EUROPEAN UNION**

**There Is No Evidence the U.S. Virgin Islands Has Been Used to Evade or Avoid
Any Taxes Imposed by European Union Members**

ST. THOMAS, U.S. VIRGIN ISLANDS (March 13, 2018)— The European Union, without justification, has added the U.S. Virgin Islands to its list of "non-cooperative jurisdictions" for tax purposes.

There is no evidence that the U.S. Virgin Islands has been used to evade or avoid any taxes imposed by European Union Member States. In addition, as a Territory of the United States, the U.S. Virgin Islands is subject to U.S. laws that deal with ownership information for financial assets and that provide for sharing tax information.

The U.S. Virgin Islands is neither a secrecy jurisdiction nor a so-called tax haven and will continue to cooperate fully with the U.S. federal government in implementing laws that provide for transparency and exchange of information.

As the U.S. Virgin Islands continues to recover from the damage from the effects of Hurricanes Maria and Irma, we remain committed to attracting business and investment that will create increased economic activity and jobs.

There is no evidence any of our recovery efforts or economic development programs are connected to the evasion or avoidance of any taxes imposed by European Union Member States. The U.S. Virgin Islands does not anticipate any significant adverse consequences to its economy or its ability to service its bonds as a result of the decision by the European Union to add the U.S. Virgin Islands to the list of non-cooperative jurisdictions.