

Faroe Islands

A. Progress in the implementation of the minimum standard

The Faroe Islands has five tax agreements in force, as reported in its response to the Peer Review questionnaire, including the multilateral Nordic Convention concluded with Denmark, Finland, Iceland, Norway and Sweden (the “Nordic Convention”).⁵⁰ Three of those agreements, the agreements with Greenland and India as well as the Nordic Convention, comply with the minimum standard.

The Faroe Islands has not joined the MLI.

The Faroe Islands is implementing the minimum standard through the inclusion of the preamble statement and the PPT.

The Faroe Islands signed a complying instrument with respect to its agreement with Greenland.

The Faroe Islands indicated in its response to the Peer Review questionnaire that the agreements with India and Switzerland are agreements concluded by Denmark that apply to its territory.

The Parties to the Nordic Convention signed a complying instrument in 2018. The protocol entered into force on 28 November 2019 and its provisions took effect 1 January 2020.

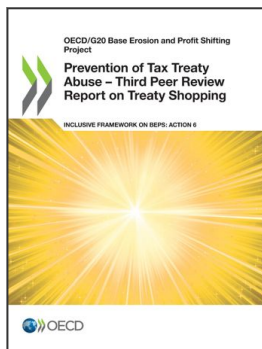
B. Implementation issues

No jurisdiction has raised any concerns about their agreements with the Faroe Islands.

Summary of the jurisdiction response – Faroe Islands

	Treaty partners	Compliance with the standard	If compliant, the alternative implemented	Signature of a complying instrument	The alternative implemented through the complying instrument (if not the MLI)	Comments
1	Denmark	Yes	PPT alone	N/A	N/A	Nordic Convention
2	Finland	Yes	PPT alone	N/A	N/A	Nordic Convention
3	Greenland	Yes	PPT alone	N/A	N/A	
4	India	Yes	PPT and LOB	N/A	N/A	DK MLI
5	Iceland	Yes	PPT alone	N/A	N/A	Nordic Convention
6	Norway	Yes	PPT alone	N/A	N/A	Nordic Convention
7	Sweden	Yes	PPT alone	N/A	N/A	Nordic Convention
8	Switzerland	No	N/A	No	N/A	DK Protocol
9	United Kingdom	No	N/A	No	N/A	

⁵⁰ See the Multilateral convention concluded by Denmark, Finland, the Faroe Islands, Iceland, Norway and Sweden: for the avoidance of double taxation with respect to taxes on income and on capital (1996, 1997, 2008 and 2018). In total, the Faroe Islands identified eight “agreements” in its List of Tax agreements: three bilateral agreements and the Nordic Convention.



From:

Prevention of Tax Treaty Abuse – Third Peer Review Report on Treaty Shopping

Inclusive Framework on BEPS: Action 6

Access the complete publication at:

<https://doi.org/10.1787/d6cecbb8-en>

Please cite this chapter as:

OECD (2021), "Faroe Islands", in *Prevention of Tax Treaty Abuse – Third Peer Review Report on Treaty Shopping : Inclusive Framework on BEPS: Action 6*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/01bedfa8-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.