INTERNATIONAL
INVESTMENT

SPECIAL REPORT: THE CARIBBEAN

FINANCIAL SERVICES IN THE SUN

INTERNATIONAL INVESTMENT

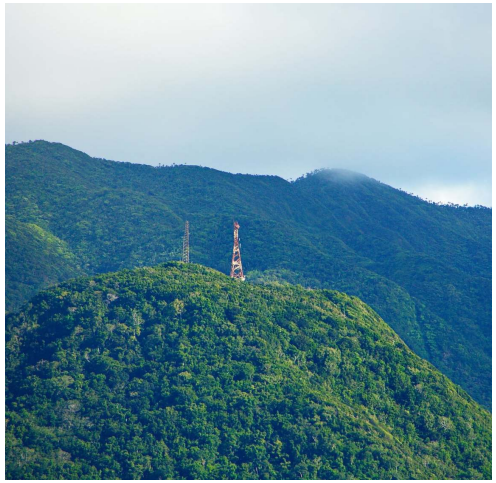
CONTENTS

News • Analysis • Video • Features

CONTENTS

INTRODUCTION

International Investment **s head of video and ezines Gary Robinson introduces our 30th edition**



INTERNATIONAL NEWS

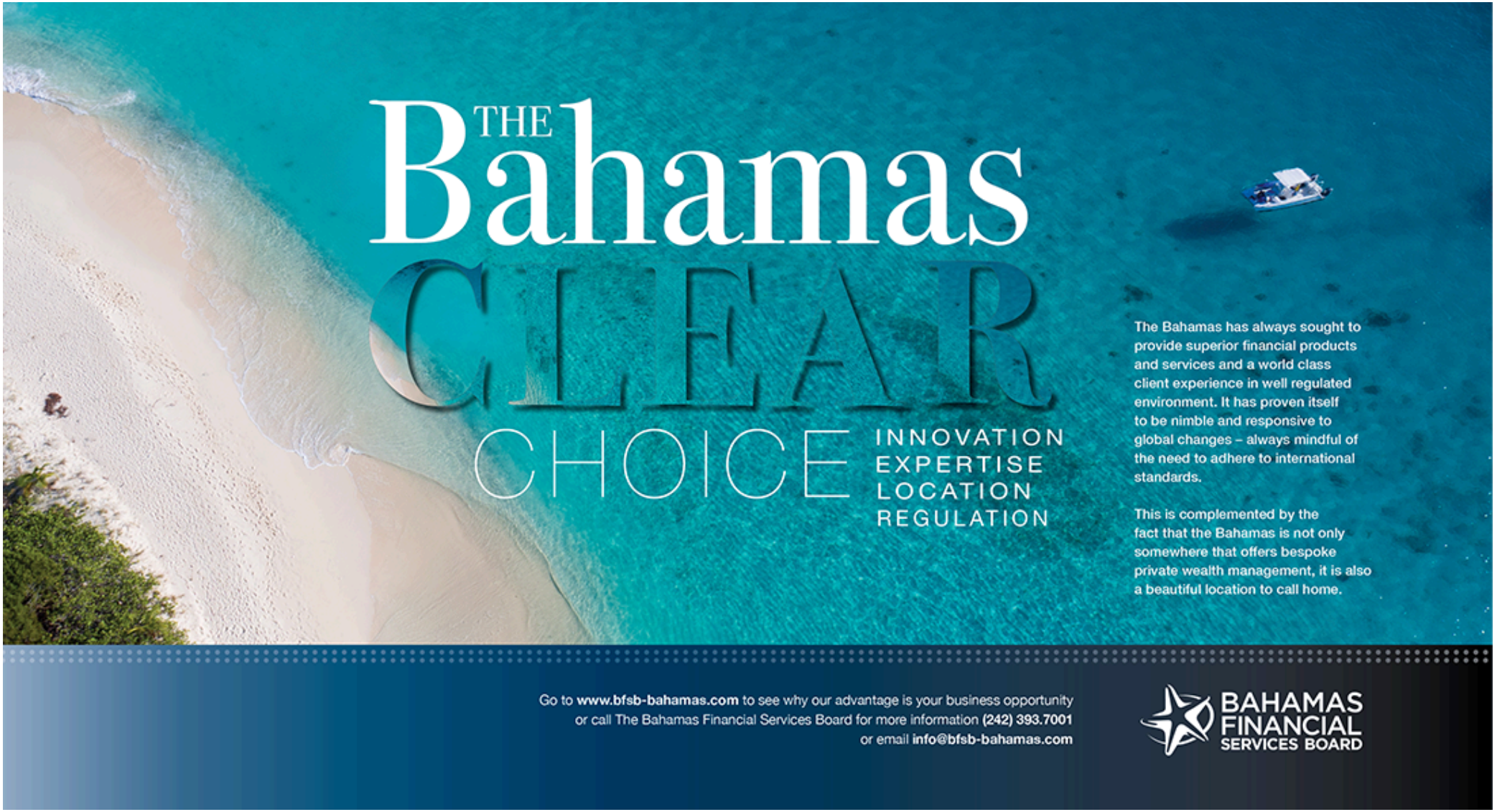
Latest offshore news from around the globe, with a special emphasis on the Caribbean

REGIONAL OVERVIEW

Cooperation or coercion? A new era for the Caribbean

EXPERT VIEWS

VIDEO: We discuss the future of global financial centres with industry experts at the recent IFB event in The Bahamas


THE Bahamas
CLEAR
CHOICE
INNOVATION
EXPERTISE
LOCATION
REGULATION
The Bahamas has always sought to provide superior financial products and services and a world class client experience in well regulated environment. It has proven itself to be nimble and responsive to global changes – always mindful of the need to adhere to international standards.
This is complemented by the fact that the Bahamas is not only somewhere that offers bespoke private wealth management, it is also a beautiful location to call home.
Go to www.bfsb-bahamas.com to see why our advantage is your business opportunity
or call The Bahamas Financial Services Board for more information (242) 393.7001
or email info@bfsb-bahamas.com
BAHAMAS FINANCIAL SERVICES BOARD

CONTENTS

GT GrahamThompson
Attorneys

Providing trusted expertise in the private wealth practice for more than 60 years, Graham Thompson is a recognised leader in high net worth client services. Our corporate, financial and wealth services include:

- Banking law
- Corporate and commercial law
- Family office and family lifestyle planning
- Immigration
- Investment funds
- Securities law
- Securitization and capital markets
- Trust and estate planning and structuring

info@gtclaw.com | **www.grahamthompson.com**

NASSAU
P.O. Box N272
Nassau, NP
The Bahamas
T: 242-322-4130
F: 242-328-1069

LYFORD CAY
P.O. Box N272
Nassau, NP
The Bahamas
T: 242-362-4020
F: 242-362-4810

FREEPORT
P.O. Box F42451
Freeport, GB
The Bahamas
T: 242-351-7474
F: 242-351-7752

PROVIDENCIALES
P.O. Box 965
Providenciales
Turks & Caicos Islands
T: 649-339-4130
F: 649-339-1069

CONTENTS

BAHAMIAN TRUSTS AND FOUNDATIONS

Putting your trust in solid foundations

PROFESSIONAL SERVICES

A directory of some of the biggest players in offshore financial services

SAVE THE DATE...

International Investment has announced six new categories as part of a relaunched International Investment Awards to celebrate their 20th year.

The II Awards will now take place on **Wednesday 16 October 2019,** at Gibson Hall in the City of London.

The new categories are: **Excellence in International Private Banking, Best Fintech Innovation, Excellence in Fintech, Best Family Office, Excellence in Client Service (regional), International Campaign of the Year.**

Click here to view the full list.

CONTACTS

Publisher/editor: Christopher Copper-Ind
Tel +44 (0) 20 3727 9937

Head of Video & Ezines: Gary Robinson
Tel +44 (0) 20 3727 9938

Editorial director: Jonathan Boyd
Tel +44 (0) 20 3727 9922

Correspondent: Pedro Gonçalves
Tel: +44 (0) 20 3727 9937

Managing director: Louise Hanna
Tel +44 (0) 20 3727 9939

Chairman: Nicholas Rapley
Tel +44 (0) 20 3727 9939

Imagery: iStockPhoto.com, Shutterstock.com

Designed and built by daring and visionary navigators the Gonet Monofoil is a concentrate of innovations foreshadowing the future sail boats of the America's Cup.

Monofoil Gonet

GONET BANK & TRUST LIMITED
NASSAU, THE BAHAMAS
T + (1242) 676 6200
WWW.BANKGONET.COM

GONET
BANQUIERS 1845

INTRODUCTION

A changing landscape

“THE MAJORITY OF THE CARIBBEAN’S FINANCIAL CENTRES HAVE EMBRACED THE CHANGING LANDSCAPE AND ARE NOW LOOKING TOWARDS A BRIGHTER FUTURE”

– Gary Robinson, Head of Video & Ezines, International Investment

A CHANGING LANDSCAPE

When *International Investment* relaunched into the financial services media marketplace in 2015, the global advice and investment industry was a very different place.

Having personally worked on all of the 30 editions, first in print and for last 18 months as digital editions, I have been able to observe a changing landscape unfold before my eyes.

Shortly after our relaunch, the Panama Papers data leak shook the very foundations of the offshore world. The regulatory changes that have followed have begun to completely transform the way that money is invested all over the world and, importantly, emphasise the need for quality financial advice.

In this 30th edition it is apt that the Caribbean region comes into focus. With the EU's drive towards greater transparency forcing many jurisdictions to change or adapt their business models, the majority of the Caribbean’s financial centres have embraced the changing landscape and are now looking towards a brighter future.

Enjoy this 30th edition, in which we bring you a mix of videos, features from industry experts and an excellent overview of Caribbean financial services by our very own Pedro Gonçalves.

Investors Trust

www.investors-trust.com

INVESTORS TRUST IS THE GLOBAL BRAND REPRESENTING THE ITA GROUP. ITA GROUP IS AN INTERNATIONAL GROUP OF INSURANCE COMPANIES AND SUBSIDIARIES ESTABLISHED IN MULTIPLE JURISDICTIONS AROUND THE WORLD WHICH AIM TO PROVIDE INVESTORS WITH ACCESS TO THE GLOBAL MARKETS THROUGH AN ARRAY OF UNIT-LINKED INVESTMENT PRODUCTS.

THERE IS NO 'ONE PRODUCT FITS ALL' CONCEPT AT INVESTORS TRUST. OUR MISSION IS TO PROVIDE INTERNATIONAL INVESTORS WITH THE ABILITY TO SELECT AND BUILD A PLAN THAT FITS THEIR CURRENT LIFESTYLE WHILE GENERATING WEALTH TO REACH THEIR FINANCIAL GOALS.

with multiple jurisdictions to choose from, Investors Trust

PROVIDES ENDLESS POSSIBILITIES

CAYMAN ISLANDS MALAYSIA PUERTO RICO

Investors Trust is the global brand representing the ITA Group of companies including ITA International Holdings and its subsidiaries. ITA International Holdings is the parent company of Investors Trust Assurance SPC based out of the Cayman Islands and rated "A-" by AM Best; ITA Asia Limited, a Labuan-licensed company based in Malaysia; and, ITA International Insurer, a Puerto Rico based and licensed company. Investors Trust is a registered trademark of Investors Trust Assurance SPC which is rated "A-" by A.M. Best Company. For the latest rating, access www.ambest.com Investors Trust Assurance SPC is a member of the Association of International Life Offices (ALO). Investors Trust products are distributed through a global network of independent financial advisors. If you are interested in joining this globe network, please contact us by e-mail at advisors@investors-trust.com.
The information contained in this material does not constitute an offer or solicitation to anyone in any jurisdiction in which an offer is not authorized, or to any persons to whom it is unlawful to make such an offer or solicitation. Please consult your own legal, tax or investment professional before making any financial decisions.

Follow us: www.linkedin.com/company/investors-trust

INTERNATIONAL NEWS

The latest financial services news from around the world, with a particular focus on the Caribbean

THE BAHAMAS

BAHAMAS LEGISLATES TO ESTABLISH CRYPTOCURRENCY REGULATORY FRAMEWORK

The Securities Commission of the Bahamas (SCB) has released draft legislation that would regulate the issuance or sale of digital tokens in the Bahamas, and how sellers and intermediary service providers conduct themselves.

The SCB released the draft Digital Assets and Registered Exchanges Bill, 2019 ("DARE Bill, 2019") for industry and public consultation for a period of eight weeks. The Bill proposes a legislative structure with standards for entry into and participation in the digital token space.

These requirements stipulate who may participate, the level of capital required, the rules for reporting and seeking the Commission's approval, and the penalties for failure to comply. Additionally, the proposed legislation requires that participants adhere to established anti-money laundering (AML) and counter-financing of terrorism (CFT) laws, ensure data protection measures related to the personal information of clients, and implement measures to prevent data breaches that would jeopardise clients' crypto assets.

SCB chairman Robert Lotmore said the draft legislation is the first of a series that aims to establish a comprehensive approach to crypto assets regulation.

Robert Lotmore, Bahamas SCB

"The SCB has been working in close consultation with the industry on the development of this Bill, which we anticipate will be the first piece of a suite of legislation that will establish the regulatory framework for crypto assets in the Bahamas," Lotmore said.

SCB executive director Christina Rolle said due in large part to the intense interest in crypto related business recently, the jurisdiction had to move to put an appropriate regulatory framework in place.

"Over the last year, the number of queries the jurisdiction has received from entrepreneurs interested in this form of capital raising has mandated that the jurisdiction ensure legislative and regulatory parameters are in place to address how operators conduct themselves." **CCI**

EUROPEAN UNION

BERMUDA, ARUBA AND BARBADOS ARE REMOVED FROM EU INTERNATIONAL TAX HAVEN BLACKLIST

The European Union has removed the Caribbean islands of Bermuda, Aruba and Barbados from its blacklist of international tax havens.

The three jurisdictions were added in March this year as they had failed to meet Brussels' requirements for reforming their tax rules.

The lifting from the list leaves no EU territories on the EU blacklist.

Bermuda is a British overseas territory, and Aruba is aligned to the Netherlands.

In a statement the EU explained that Bermuda and Barbados have both committed to meeting EU concerns and have consequently been moved onto a "grey list" of jurisdictions being monitored by the EU, according to a report from Reuters.

The official blacklist has continued to shrink over the past year, and now consists of just 12 jurisdictions. These are: Belize, Fiji, the Marshall Islands, Vanuatu, Dominica, Samoa, Trinidad and Tobago, the United Arab Emirates, Oman, Samoa, Guam, and the US Virgin Islands.

The 28-nation EU set up the so-called blacklist in December 2017 after revelations of widespread tax avoidance schemes used by corporations and wealthy individuals to lower tax bills. CCI

For more tax stories, click here.

UNITED KINGDOM

UK WILL NOT IMPOSE DEADLINE ON OVERSEAS TERRITORIES TO CHANGE RESIDENCY RULES

The UK government has refused demands from the Foreign Affairs Committee to issue a timetable for a consultation process and deadline to phase out discriminatory elements of residency rules in the overseas territories.

The committee also put forward that 'belongership' and equivalent concepts should be phased out to enable British citizens in the territories to vote or hold elected office.

"The Foreign and Commonwealth Office (FCO) does not plan at a future date to publish such a timetable," the government responded in a May 2019 report titled *Global Britain and the British Overseas Territories: Resetting the relationship:*

Government response to the Committee's Fifteenth Report.

It stated that the FCO regularly impresses on the overseas territories governments how important it is to allow people, who have made their permanent home in the territories, the ability to vote and fully engage in the community.

But the government also recognised the desire of the "to maintain their cohesion" and a corresponding "need for a reasonable qualifying process".

"We understand the overseas territories' concerns, sensitivities and historical background on this issue," the UK government said.

"Our vision for the overseas territories is as vibrant and flourishing communities, with the widest possible opportunities for their people."

It continued: "We expect territory governments to meet the same high standards as the UK government in maintaining the rule of law, respect for human rights and integrity in public life, delivering efficient public services, and building strong and successful communities.

Sharlene Cartwright Robinson, Turks and Caicos premier

"We will continue to support and encourage consistent and open political engagement on belongership and its territory-specific equivalents, whilst respecting the fact that Immigration decisions are primarily a matter for overseas territories governments," the British government further said.

In the Cayman Islands, premier Alden McLaughlin said the suggestion was "akin to an attempt to take over the territory".

Turks and Caicos Islands premier Sharlene Cartwright Robinson said she would not accept "the unbridled influx of British citizens to be added to our voting population."

In the British Virgin Islands (BVI), premier Andrew Fahie has not yet directly addressed the contents of the document, but deputy premier Dr Natalio "Sowande" Wheatley said abolishing belongerships is not in the territory's best interest. However, non-belongers who have lived in the BVI continuously for 15 years will soon be permitted to apply for residency and belongership under a new policy that eases the previous 20-year requirement to start the process, the local government said. **PHG**

BARBADOS

EASTERN CARIBBEAN CENTRAL BANK IN DIGITAL CURRENCY PILOT

The Eastern Caribbean Central Bank plans to launch a pilot in 2020 of a blockchain-based digital version of the Eastern Caribbean dollar. This marks the first time that a central bank will have issued digital legal tender using the blockchain.

ECCB is teaming up with Overstock-owned, Barbados-based, blockchain firm Bitt to pilot the blockchain-based central bank digital currency (CBDC). The venture will see the issuance of a digital version of the Eastern Caribbean dollar that will be distributed and used by licensed banks and non-banks in the Eastern Caribbean Currency Union (ECCU).

“The journey of the ECCU has always been marked by bold initiatives and forays into the unknown to pioneer a path for the region's survival and success,” says the ECCB FinTech Working Group which has been developing the initiative in partnership with Barbados fintech firm Bitt Inc.

According to the FinTech Working Group: “The long-term strategic objective is to explore the suitability of a digital EC currency, underpinned by distributed ledger technology/blockchain, to help advance economic growth, resilience, competitiveness and financial inclusion in the ECCU.”

Announcing the project, ECCB Governor Timothy N. J. Antoine emphasised that in contrast to previous CBDC research and experiments, the ECCB is going a step further.

“This is not an academic exercise. Not only will the digital EC Dollar be the world's first digital legal tender currency to be issued by a central bank on blockchain, but this pilot is also a live CBDC deployment with a view to an eventual phased public rollout,” he said.

“The pilot is part of the ECCB's Strategic Plan 2017-2021 which aims to help reduce cash usage within the ECCU by 50%, promote greater financial sector stability, and expedite the growth and development of our member countries.

“It would be a game-changer for the way we do business.”

The digital payments ecosystem, once implemented, will include a number of free services.

Consumers need only to download Bitt's free mMoney mobile wallet app from Google’s Playstore and Apple’s Appstore to access the free services. These include: sending money to loved ones locally or within the ECCU; paying for goods and services and adding funds to their wallet; and cashing-out of the wallet at participating merchant/tellers. **PHG**

BERMUDA

BERMUDA'S BENEFICIAL OWNERSHIP REGISTERS IN FULL OPERATION

Bermuda's beneficial ownership register is now in full operation as the postponed deadline for legal entities to submit the information has been reached.

Bermuda companies, limited liability companies and partnerships had until 30 April 2019 to update or verify their beneficial ownership information under Bermuda's beneficial ownership legislation.

Beneficial owners are any individual or individuals who directly or indirectly own or control more than 25% of the shares, voting rights or interests in a company or who control a company by other means. If no such person can be identified, the company's senior managers will be regarded as beneficial owners.

Fines of up to Ber$5,000 may be imposed for contravention of, or failure to comply with, the obligations under the beneficial ownership legislation. Knowingly providing misleading information to the registrar of companies or the BMA attracts fines of up to Ber$50,000. The obligations under the beneficial ownership legislation are primarily imposed on companies and partnerships existing under Bermuda laws.

HOW WILL REGULATION IMPACT?

- For the better, it is needed
- For the worse, it is too restrictive
- It won't make a difference

See results

Certain entities and their subsidiaries are exempt. These include companies listed on an approved stock exchange; closed-ended investment vehicles managed or administered by designated Bermuda licensed service providers; overseas companies with a branch office in Bermuda; and financial institutions licensed to carry on regulated activities in, or from, Bermuda.

Currently, under Bermuda law, the information on the central register will not be publicly available. There is no indication that Bermuda's Parliament will enact legislation to make such registers publicly available, in whole or part, unless and until public beneficial ownership registers become a global standard.

Following the most recent EU directives, public beneficial ownership registers have been introduced in certain jurisdictions, including the UK, Denmark and Luxembourg. Britain will issue an Order in Council in December 2020, requiring overseas territories to establish public registers. **PHG**

CAYMAN ISLANDS

CFATF ANTI-MONEY LAUNDERING REQUIREMENTS TO COST CAYMAN MILLIONS

The Cayman Islands will have to spend millions of dollars in more law enforcement officers, government officials and training to meet the anti-money laundering requirements set forth by the Caribbean Financial Action Task Force (CFATF).

The jurisdiction was forced to come up with a “comprehensive action plan” to address shortcomings and avoid being placed on a CFATF greylist after the task force released a report that highlighted flaws in Cayman’s anti-money laundering and counter-terrorism financing regimes.

Estimates have not been publicly made about how much CFATF-mandated reforms will cost, but the number is in the millions.

For instance, the territory has more than 10,000 registered funds that must now have anti-money laundering officers, a bill to be footed by the private sector.

Alden McLaughlin, Cayman Islands premier

In the public sector, CFATF requires Cayman more law enforcement focus on high-profile money laundering cases, more law enforcement officers and other government officials, plus training for those officers, all of which will require millions of dollars in extra spending.

Although money laundering offences are investigated and prosecuted, this involved almost exclusively minor domestic predicate offences. Given the shortcomings of national risk assessment, the CFATF report noted, this "may not be fully commensurate with [Cayman's] risk profile."

During Finance Committee proceedings in April, premier Alden McLaughlin said his administration is prepared to spend "many of millions of dollars" to make sure Cayman can comply with international anti-money laundering standards.

"We have gotten quite an unfavourable report from the CFATF, so we are working across the full range of entities and agencies that are required to have those systems in place to improve them," McLaughlin explained during the proceedings.

"We have been placed in an observation period, have one year to get our systems up to satisfactory standard. If we don't, we will be moved from observation status to a grey list – and then it gets worse from that," local news outlet *Cayman Islands Journal* reported.

The premier proposed spending increases in multiple government departments at the Finance Committee hearings to bolster their anti-money laundering regimes. He asked legislators to approve in the region of $4.7m in extra spending, including $610,000 of extra spending for the Border Control Services, $3m for the Cayman Islands Monetary Authority, $266,000 for the Department of Commerce and Investment, $228,000 for advice to the Attorney General's Office and Cabinet, $374,000 for financial intelligence services, and $189,000 for law enforcement agencies. **PHG**

BRITISH VIRGIN ISLANDS

BVI TAX AUTHORITY RULES INVESTMENT FUNDS NOT SUBJECT TO ECONOMIC SUBSTANCE RULES

The British Virgin Islands International Tax Authority has said that investment funds are not subject to the economic substance requirements unless they carry on other relevant activities.

The Economic Substance (Companies and Limited Partnership) Act 2018 has been enacted in the British Virgin Islands (BVI) and came into force on 1 January 2019.

The jurisdiction's Tax Authority has published a draft code setting out the effect of the new framework. The tax office interpretation is that the EU does not require investment funds to be subject to economic substance rules. This guidance confirms that an entity will be treated as carrying on a relevant activity in the BVI during any financial period in which it receives income from that activity.

Financing and leasing businesses will be considered as relevant entities, but entities that provide credit as an incidental part of their business, or which hold debt for investment purposes, will not be considered as financing businesses. Ownership by an entity of any investment other than equity participations will mean that it is not a pure-equity-holding entity.

"We are pleased and grateful for the engagement of the BVI's international business and financial services sector as we work towards the most effective solution for implementing the Economic Substance Act," Elise Donovan, chief executive officer of BVI Finance, said.

Under the new rules, it is mandatory for offshore financial services companies to set up physical offices in the BVI. **PHG**

THE BAHAMAS

BAHAMAS TO GIVE TAX RESIDENCY CERTIFICATES TO PERMANENT RESIDENTS

The Bahamas has introduced tax residency certificates for people who have been granted permanent residency, typically under an investor migration programme.

The certificates will be issued only to those who spend a minimum of 90 days in the Bahamas in one year, and no more than 183 days in one other country.

They will carry unique taxpayer identification numbers, which will demonstrate to the holder's country of birth or citizenship that the Bahamas is his principal domicile, and thus his financial accounts are subject to international information exchange agreements under the Common Reporting Standard (CRS).

The change follows criticism by the Organisation for Economic Co-operation and Development (OECD) that the jurisdiction's residence-by-investment scheme was being used by money launderers and tax evaders to dodge CRS requirements.

The OECD has suggested that residence-by-investment schemes could "offer a back door to money launderers and tax evaders" by circumventing the CRS.

Brent Symonette, minister of financial services, trade and industry and Immigration, told the Society of Trust and Estate PractitionersCaribbean Conference these certificates will help certify their compliance with home country tax laws and address OECD claims.

"When the deputy prime minister, attorney general and myself were in Paris months ago, the OECD stated that they had an issue with persons using permanent residency as a way of avoiding tax requirements in their own country.

"We will have a permanent residency certificate. This means you would have to spend a minimum of 90 days in this country – not consecutively – but over the year, and no more than 183 days in one other country."

Tanya McCartney, the Bahamas Financial Services Board's chief executive, told local news outlet *Tribune Business* there had to be a distinction between permanent residency and tax residency to protect both the jurisdiction, its clients and residents.

"This is something that industry has been asking for some time; to create certainty around how individuals will be able to objectively demonstrate that they are tax residents." **PHG**

INTERNATIONAL INVESTMENT

REGIONAL OVERVIEW

Cooperation or coercion? A new era for the Caribbean

COOPERATION OR COERCION?

The EU's infamous tax blacklist and the Caribbean international financial centres are in the midst of regulatory upheaval. The outcome will determine the nature of the region's industry for years to come, writes *Pedro Gonçalves*

Blacklists have been a feature of tax diplomacy ever since an internationally co-ordinated assault on tax havens began in the late 1990s. Under pressure to 'name and shame' at a time of post-crisis austerity, the European Union compiled a list of countries it viewed as "non-co-operative" on tax.

In 2015, the EU issued its first blacklist, only to withdraw it after criticism by the OECD, international organisations, and others. In 2016, the EU issued new criteria to determine whether governments met the standards of "good tax governance".

Currently, the EU requires that entities in specific sectors meet "substance" in the form of employees, premises, and expenditure if they are incorporated, operating in, or tax resident in low or no tax countries.

On March 12, 2019, the EU finance ministers updated the EU list of non-cooperative tax jurisdictions. The list now has 12 countries, following the removal on 17 May of Bermuda, Aruba and Barbados, and is part of the EU's fair taxation initiative.

The EU standards to determine good tax governance are tax transparency, 'fair taxation' and compliance with OECD Base Erosion and Profit Shifting (BEPS) requirements.

The Caribbean region has been one of the most hit with the evaluation of the jurisdictions taxation regimes and has united in discontent to what it views as a "persistent threat". The EU claims the list encourages cooperation and positive change. Non-profit organisations like Oxfam say the initiative only whitewashes tax havens. No issue seems to bring out as much love/hate feeling as the blacklist in the world of international finance.

OPERATION NAME AND SHAME

The EU is taking a hard stance to clamp down on tax evasion and those countries blacklisted face sanctions from the European Union.
There is also a "grey list", comprised of countries committed to improve their tax practise or risk being blacklisted.

Following the first publication of the list many countries have implemented changes to comply. For instance, on 17 December Cayman published three new bills in an attempt to stay off the blacklist, one of which requiring increased substance for Cayman operations. Similarly, the BVI fast-tracked legislative changes to satisfy the EU's tests.

The rationale of the lists is to push countries to reform their fiscal systems.

One motivation for the increased scrutiny from the Commission is the wealth held in tax havens. It is estimated it at 10% of world GDP across countries.

One report estimated a European tax gap of €825bn per year, resulting from domestic tax evasion.

In another study, the estimated lost tax revenues (accounting only for financial wealth) was $200bn per year, globally, with a stock of around $7.6trn at the end of 2013. In Europe, the number is $75bn per year.

Looking at the broader picture, International Money Fund chairman Christine Lagarde argued in the *Financial Times* for an urgent overhaul of the system: "The public perception that large multinational companies pay little tax has led to political demands for urgent action."

"Europe is open for business but Europe is not naïve and needs to protect its financial system," said the Commission's justice chief, Věra Jourová. However, as the EU protects its business, the

"THE PUBLIC PERCEPTION THAT LARGE MULTINATIONAL COMPANIES PAY LITTLE TAX HAS LED TO POLITICAL DEMANDS FOR URGENT ACTION"

Christine Lagarde, IMF

decision has hit the heart of the Caribbean nations economy: the financial sector.

COOPERATION OR COERCION?

The latest revised EU blacklist (updated on 17 May) of countries purportedly not adhering to tax good governance included just three Caribbean nations: Belize, Dominica, Trinidad and Tobago.

Nine other countries in the region are placed on a so-called grey list: Antigua and Barbuda, The Bahamas, Barbados, Bermuda, St Kitts and Nevis, Saint Lucia, Anguilla, British Virgin Islands and the Cayman Islands.
CARICOM has expressed concern that the listing constitutes an infringement of its sovereign right of self-determination and is starting to border on anti-competitive conduct targeting the decimation of international business and the financial services sector in the Caribbean.

Claire Simm, managing director in the compliance and regulatory consulting practice at Duff & Phelps said: "The EU blacklist may be viewed as coercive rather than co-operative to the offshore world, but it is in fact part of a global process

which involves the harmonisation of international tax rules and practices to ensure a level playing field is in place for all jurisdictions."

"Cooperation between the international financial centres of the EU and the Caribbean, as well as the implementation of standards around substance, is an important step in combatting harmful tax practices. While the perception in the eyes of those most affected may be that this is coercion, the reality is that it is about the development of a modern, internationally connected financial system in which all players adhere to the same standards."

The Caribbean Community's (CARICOM) secretary-general said the EU's self-determination of what constitutes good tax governance "reeks of a by-gone era which came to an end with our political independence".

Irwin LaRocque believes the blacklist to be a "persistent threat" to the development of the Caribbean and that the EU's "shifting" tax compliance requirements are trespassing on the region's sovereignty.

CARICOM and its members have complained that the blacklisting has caused severe reputational harm to the small and vulnerable small jurisdiction.

IS EU REGULATION TOO RESTRICTIVE?

Yes

No

Don't know

See results

CARICOM complains the EU is not abiding by the principles underlying the UN Addis Ababa Action, which require shared responsibility, mutual accountability, fairness, solidarity, and different and evolving capacities concerning the mobilisation of resources to achieve the 2030 Agenda for Sustainable Development.

In this regard, the EU has not taken into account the limited capacities of small jurisdictions and the many demands on their resources by international organisations.

"Financial services provide significant revenue for many of our Member States and therefore are an important source of domestic resources. The mobilisation of domestic resources was recommended by the United Nations Addis Ababa Action Agenda as a major part of the finances needed to achieve the UN Sustainable Development Goals", LaRocque said.

The CARICOM secretary-general said that the "onerous requirements being imposed are constantly shifting and go beyond those established by the OECD."

CARICOM has highlighted the EU Council's view that Barbados "has replaced a harmful preferential tax regime by a measure of similar effect and did not commit to amend or abolish it by the end of 2019".

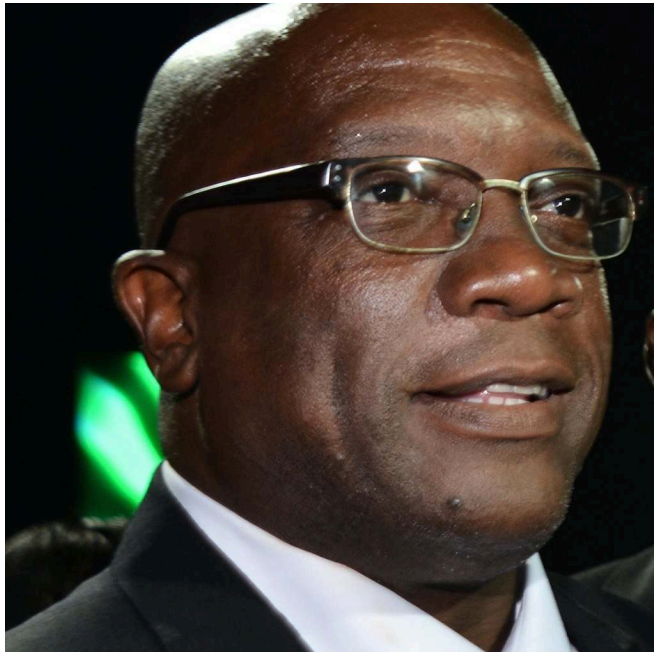
Barbados reviewed its corporate tax regime in 2018 and decided to undertake tax convergence, removing the alleged preference accorded the

international business sector. As a result, Barbados currently applies a tax rate of 1% to 5.5% on the taxable income of all corporations registered in the jurisdiction.

“Barbados, in its sovereign right, and having looked at its own fiscal situation determined that it would tax all entities at 5%. Nevertheless, the EU blacklisted Barbados saying that 5% is too low. That impinges on Barbados’s sovereignty,” St Kitts and Nevis foreign affairs minister, Mark Brantley, said.

Timothy Harris, prime minister of St Kitts and Nevis, said that heads of government have asked the EU to cease blacklisting of CARICOM Member States that have already made commitments to reform their tax structures. He added that concern was expressed that there was an element of "irregular behaviour" in the process by which any country could be blacklisted under the EU system.

"We do not think that it has the appeal of a democratic process or a consensual process and we take exception to that matter. Each time there is one problem and that problem is addressed, by



“THE GOAL POST KEEPS SHIFTING IN A WAY THAT MAKES MANAGEMENT OF THE INDUSTRY DIFFICULT AND CREATES UNCERTAINTY”

Timothy Harris, prime minister of St Kitts and Nevis

the next time the EU comes around there is a second and third problem. So, the goal post keeps shifting in a way that makes management of the industry difficult and creates uncertainty," Harris said.

For Richard Hay, from London-bases legal firm Stikeman Elliot, the problem with ceding rights is that it never stops. “Those countries that have accepted EU dictation on design of their domestic laws to avoid being blacklisted now have a foot on the escalator – the EU will be back for more next year and in the years following,” Hay said.

However, some jurisdictions have welcomed the EU’s list as it might push forward the industry.

The British Virgin Islands said it expect its financial services sector to soar as the new economic substance rules are expected to triple the number of persons employed by the industry.

Since the EU demands offshore financial services companies to set up physical offices in the jurisdiction, the BVI anticipates a boom in hiring. According to the director of international business

at BVI Finance, Neil Smith, while the 400,00 plus registered companies in the island's financial sector will be reduced, the number of persons involved in the sector is likely to triple on the ground.

"That is where we will benefit, because you will have more people here buying clothes, food, payroll taxes," he added. "It is a trade-off, so that is why we are excited".

The EU has also defended its list saying that just last year, several jurisdictions implemented concrete measures to fix problems identified in their tax systems. "60 countries took action on the Commission's concerns and over 100 harmful regimes were eliminated," is added.

Zero tax countries have introduced new measures to ensure a proper level of economic substance and information exchange.

Over 20 jurisdictions have taken steps to bring their tax transparency standards into line with international norms, and even more should do so by the end of 2019.

However, criticism about the blacklist is not confined to the Caribbean nations' voices.

ORDER IN OWN HOUSE

The European Union has "lost its nerve" over naming and shaming tax havens as it moved to give nine countries a "clean bill of health", according to an Oxfam report.

Oxfam tax adviser and author of the report Johan Langerock said the EU was "bold" to establish its list of tax havens to help stop tax dodging in December 2017 but since then seemed to have "lost its nerve".
"European governments appear set to whitewash some of the world's worst tax havens," Langerock said. "The EU must beef up its blacklist or this whole process could be a farce."

The analysis looked at whether promises and reforms made by 'grey-listed' countries met the bloc's criteria for being removed from the list or blacklisted.

For real impact, the EU must also tackle tax havens within its own territory. The report highlighted that Cyprus, Ireland, Luxembourg, Malta and the Netherlands would appear on the blacklist, were it not for the fact that EU member states are given an automatic exemption.

CONCLUSION

In future, the small Caribbean international financial jurisdictions that survive are likely to be the ones that continue to quickly innovate. Cayman, in particular, has achieved success in innovating due to the comparatively large size and sophistication of its financial sector.

In addition, the close collaboration between the private sector and the government has enabled Cayman to anticipate and quickly respond to international regulatory developments, such as the EU listing exercise.

The coming 12 months or so should reveal whether or not other Caribbean jurisdictions will take Cayman's lead, and usher in a new era of financial services innovation for the region.

Pedro Gonçalves is financial correspondent for *International Investment*.

EXPERT VIEWS

Videos interviews...

HIGHLIGHTS OF THE BFSB INTERNATIONAL BUSINESS SUMMIT 2019

The Bahamas Financial Services Board hosted its annual International Business & Finance Summit (IBFS) at the Hilton Resorts World Bimini on 28 February through 2 March 2019. Click above to watch a short highlights video and click on the right arrow to view more in-depth interviews.

LINDA BEIDLER D'AGUILAR, GLINTON SWEETING O'BRIEN

In this video, shot at the recent IBFS event in Bimini, The Bahamas, Linda Beidler D'Aguilar, Partner at Glinton Sweeting O'Brien discusses that advantages that The Bahamas can offer family offices and investment companies.

TANYA MCCARTNEY, BAHAMAS FINANCIAL SERVICES BOARD

In this video, Tanya McCartney, CEO of The Bahamas Financial Services Board introduces some of the highlights of the BFSB 2019 IBFS event in Bimini.


GSO
Counsel & Attorneys-at-Law
Assisting our clients with intelligent, compliant planning since 2005.
Knowledge | Expertise | Service | Solutions
gsolegal.com
Nassau | Albany
Photo by Colin Ruggiero

DIEGO ZULUAGA, THE CATO INSTITUTE

A guest panelist Diego Zuluaga, policy analyst at Washington-based US think tank The CATO Institute, discusses the need for and future look of offshore financial centres and how The Bahamas sits within this ever-evolving world.

BRENT SYMONETTE, THE BAHAMAS GOVERNMENT

In this video, Brent Symonette, Minister for Financial Services, The Bahamas Government, outlines why a collaborative approach between government, the private sector and outside partners brings a 'cutting edge' to the region.

JOHN DELANEY, DELANEY PARTNERS

John Delaney of Delaney Partners explains how a mix of historical expertise alongside an evolving financial services structure allows The Bahamas to continue to thrive.

ANTOINE BASTIAN, GENESIS

Antoine Bastian, managing director, Genesis Fund Services outlines how the emergence of Smart fund in recent times has given The Bahamas the edge. He also talks about forthcoming proposals that will further boost the use investment funds in the region.

GENESIS FUND SERVICES LIMITED | 308 EAST BAY STREET | NASSAU, BAHAMAS | T: 242 502 7020 | INFO@GENESISFUNDSERVICES.COM | GENESISFUNDSERVICES.COM

ALIYA ALLEN, GRAHAM THOMPSON

In this video interview Graham Thompson's Aliya Allen explains the emergence and growing importance of financial technology (fintech) and how this "natural evolution" will allow the region to flourish.

MICHAEL ALLEN, HIGGS & JOHNSON

Michael Allen, Higgs & Johnson, discusses the potential impact that updating the aviation register will bring and how the connection between financial services and aviation can boost business on both fronts.

Going beyond.

Legal Advice & Service from a Team you can Trust.

Operating from two of the world's leading international financial centres, HIGGS & JOHNSON offers sound legal counsel and business insight to discerning clients around the globe.

H&J

HIGGS & JOHNSON

Counsel & Attorneys-at-Law

A full service corporate and commercial law firm | THE BAHAMAS | CAYMAN ISLANDS | *www.higgsjohnson.com*

INTERNATIONAL INVESTMENT

THE FUTURE OF DIGITAL ASSET REGULATION

How the Bahamas is building trust in crypto-currency

DIGITAL ASSET REGULATION ON THE HORIZON IN THE BAHAMAS

Aliya Allen examines the problem of trust in electronic payments and the steps the Bahamas has been taking to reduce risk

Trust is an important factor in any transaction. Contractual promises are based essentially on trust, though we know that courts are available to help us enforce them. By the same token, digital payment systems (and, for that matter, any transactions) are based on trust. People, however, can be inherently untrustworthy – this is the sole reason why trusted intermediaries exist.

The urge to solve this problem of trust in electronic payments was the basis upon which Satoshi Nakamoto premised the White Paper that conceptualised Bitcoin; the technology used to make that currency viable was the original Blockchain.

The White Paper said that there was a need for a peer-to-peer digital payment system comprising a

GT GrahamThompson
Attorneys

Providing trusted expertise in the private wealth practice for more than 60 years, Graham Thompson is a recognised leader in high net worth client services. Our corporate, financial and wealth services include:

- Banking law
- Corporate and commercial law
- Family office and family lifestyle planning
- Immigration
- Investment funds
- Securities law
- Securitization and capital markets
- Trust and estate planning and structuring

info@gtclaw.com | **www.grahamthompson.com**

NASSAU
P.O. Box N272
Nassau, NP
The Bahamas
T: 242-322-4130
F: 242-328-1069

LYFORD CAY
P.O. Box N272
Nassau, NP
The Bahamas
T: 242-362-4020
F: 242-362-4810

FREEPORT
P.O. Box F42451
Freeport, GB
The Bahamas
T: 242-351-7474
F: 242-351-7752

PROVIDENCIALES
P.O. Box 965
Providenciales
Turks & Caicos Islands
T: 649-339-4130
F: 649-339-1069

trust-less digitally distributed ledger (DLT), verified and confirmed by a cryptographic consensus and immutable in nature. Paradoxically, the creation of a trust-less DLT actually restores trust and confidence between parties. The ledger that Nakamoto used is reliable and, because of the disintermediated trust model on which it is based, it is absolutely trustworthy.

WHAT IS A BLOCKCHAIN?

A blockchain is a digital online ledger of transactions maintained by a decentralised network of computers around the world. These computers are called nodes. The ledger itself is just computer code which is universally and publicly accessible and can be displayed through many different graphical user interfaces. It is often described as pseudonymous – transparent but anonymous.

CRYPTO-CURRENCY AND PROOF OF STAKE

A crypto-currency is generally a digital representation of a unit of value. When somebody 'mines' a unit of it, that unit is awarded to him when he validates a transaction on a blockchain successfully. In terms of the validation of transactions, there are two different consensus mechanisms: (i) proof of work and (ii) proof of stake. When trying to 'prove work,' the 'miner' tries to solve computational puzzles/algorithms which, by design, he can only do by brute force, i.e. by trying all possible combinations. It is a slow and costly way of obtaining a financial reward. Proof of stake is a type of algorithm by which a cryptocurrency blockchain network aims to achieve a distributed consensus.

This digital representation of a unit of value can be transferred from one user to another without intermediaries. The 'price' or 'value' of a crypto-currency is based on a rate of exchange at one of many cryptocurrency exchanges. This rate depends on various factors such as levels of adoption and demand.

Bitcoin, in particular, incentivises the miner through proof of work by awarding him new bitcoins each time he discovers or validates a new block. Bitcoin is limited in supply – there will only ever be 21 million Bitcoins in the world. In addition, there is a decreasing supply because the number of bitcoins generated per block goes down by 50% every 210,000 blocks or every four years.

More than 80% of bitcoins have already been mined and by 2140 they will all have been. Mining is an energy-intensive, computing-intensive process and a computing-power arms race has begun as miners scramble to be the first to solve the problems that they face. Nobody knows how the miners of the future, faced with diminishing returns, will continue to be incentivised.

CUSTODY

This digital representation of a unit of value can be 'stored' in a private wallet, but the 'wallet' is really a software programme accessible on or through a device such as a computer, tablet or phone. The programme holds the digital credentials or 'private keys' which the user needs to access his crypto-currency holdings online.

Crypto-currencies may be stored in different ways.

- **With a custodian.** The owner of some crypto-currency might entrust it to a crypto-

exchange which keeps his private keys for him.

- **Direct – private wallet – hot storage.** An online wallet is a software programme which holds the digital credentials or private keys required to access the user's cryptocurrency holding.
- **Direct – private wallet – cold storage.** This is an offline wallet (such as a software programme managed offline) which holds the digital credentials or private keys that the user needs to access his stash of crypto-currency. This makes it less susceptible to hacks.

A SOLUTION TO DE-RISKING?

We live in a world in which many countries, including small island states, are grappling with the phenomenon of 'de-risking,' i.e. large financial institutions ending or restricting their business relationships with clients (or categories of clients) in an attempt to avoid, rather than manage, 'money-laundering risk' and other forms of risk. Crypto-currencies are at once seen as a solution to the de-risking problem and as a major risk which, in turn, invites further de-risking.

There were early hopes that people might use crypto-currencies as bridge currencies in the style of BitPesa which facilitates money transfers to and from Nigeria, Uganda and Tanzania using bitcoin. The transfer of funds in a peer-to-peer settlement would seem to be immune to any de-risking measures.

Another proposed remedy is to use blockchain technology as immutable proof of the true risk profile of any institution. A distributed immutable database could create a shared repository of 'customer due diligence information', i.e. information about a specific customer's background, identity and finances. Compliance officers at correspondent banks that deal with the database could peruse it, paying special attention to the history of the relevant customers' transactions. The banks could then analyse these relationships in a truly risk-based way.

ICOs – BOOM OR BUST?

Initial Coin Offers (ICOs) are essentially a means by which a start-up business raises funds, typically to develop an application or service, by accepting such funding for tokens issued on the blockchain. There is typically a pre-ICO stage in which a private sale of tokens occurs. At this point, if the token has merit, early-stage venture capitalists and investment funds may participate and may receive preferential treatment because of the size of their investments. Tokens come in all shapes and sizes but can be divided loosely into three types.

- **Utility Tokens** – e.g. tokens which accord the holder a right to access the service or application, usually once the utility of the platform in question has been established.
- **Security Tokens** – e.g. tokens whose value is linked or backed by an underlying asset such as oil, gold or a company's shares, or which pays a defined or guaranteed return linked to the company's profits or the right to convert tokens into equity.
- **Payment Tokens** – e.g. tokens that people can use to settle payments.

In 2018, more than US$12bn was raised in ICOs even though the values of tokens have decreased significantly and fewer ICOs are actually hitting their funding targets.

ICOs have truly democratised the process of raising funds. A person with a great idea can acquire all the funds he needs to put it into practice in a far cheaper manner than he would if he were financing it traditionally. However, it is thought that roughly 55 per cent of all ventures funded by ICOs are doomed to failure for a whole host of reasons including fraud, lack of experience, lack of talent, and unrealistic goals.

Generally speaking, the financial regulators of The Bahamas viewed the wave of ICOs, which peaked in 2016/2017, with a wary eye. Today, they appreciate the innovative nature and promise of blockchain technology but are worried that it might create problems for the financial system.

Nevertheless, in 2018 the Securities Commission, the Central Bank of The Bahamas, the Ministry of Finance and the Compliance Commission (which regulates 'gatekeepers' or, in the parlance of the Financial Action Task Force, Designated Non-Financial Businesses and Professions (DNFBPs) collectively asked themselves whether prudential regulation was necessary (or even feasible) for crypto-currencies.

"SMART CONTRACTS ARE SELF-EXECUTING AND SELF-ENFORCING CONTRACTS MEMORIALISED IN COMPUTER CODE. FOR THEM TO BE VALID, THE LAW MUST STATE THAT ELECTRONIC TRANSACTIONS ARE VALID. THE BAHAMAS HAS BEEN QUITE FORWARD-LOOKING IN THIS REGARD"

Aliya Allen, Graham Thompson

On 7 November 2018, the Central Bank published a discussion paper in which it proposed to limit the ways in which its domestic licensees might deal with the sector, the better to avoid systemic problems. It suggested that it should only allow them to 'sponsor/promote' initial coin offerings if they undertake no obligations on their balance sheets. It also proposed to forbid banks to accept deposits of crypto-assets from clients but to allow them to provide off-balance-sheet custody services. This is interesting because crypto-asset custody is often referred to as the 'holy-grail' or 'missing link' that might help crypto-investments to become 'institutionalised,' i.e. to be used – and allowed to be used – freely by financial institutions of the old-fashioned type. It is an encouraging sign that the Central Bank, though conservatively, supports the idea of its licensees doing this.

The Securities Commission initially adopted a wait-and-see approach to the sector. To date, it has not issued any formal public pronouncements on the subject but has spoken to international experts about the regulatory landscape. It is interested in casting its regulatory net wider, with a view to encouraging development in the sector. Financial firms in the Bahamas are expecting to see some rules emerge for the registration/regulation of ICOs, wallet providers and crypto/digital-asset exchanges in the coming year.

The Central Bank has firmly disavowed the term 'crypto-currency' in favour of the term 'digital asset.' It does this to distinguish payment tokens

from fiat currency/legal tender, which can only be attributed to chattels, and money to which such character has been attributed by law, i.e. by or with the authority of the state.

It has expressed no firm view about whether or not to regulate utility tokens, but it should be noted that the Securities Commission wishes to make new rules for the registration of utility tokens, security tokens, and payment tokens.

The laws of many jurisdictions view digital assets as chattels or property rights that are represented by unique records on distributed ledgers. It should be noted that at present, because of the lack of a broad 'financial instrument test', most jurisdictions' laws do not automatically deem securities tokens to be securities.

If the Government of the Bahamas was to amend the Securities Industry Act 2011, securities tokens might be subject to the same disclosure laws as other commonly traded assets and white papers that precede ICOs might have to be registered within strict time limits before they are distributed.

AML/KYC STANDARDS

It should be noted that the Financial Transactions Reporting Act 2018 and the Proceeds of Crime Act 2018 refer to virtual currencies as 'cash.' This means that a financial institution or DNFBP which is accepting 'cash' or deposits of virtual currencies, or otherwise facilitating their transfer and exchange, will have to comply with the two Acts, which might also apply to wallet providers and firms licensed under the Payment Systems Act. Of course, it is fully expected that the Securities Commission will pass rules to subject certain types of digital asset businesses to the usual anti-money-laundering and 'know your customer' standards.

SMART CONTRACTS

Smart contracts are self-executing and self-enforcing contracts memorialised in computer code. For them to be valid, the law must state that electronic transactions are valid. The Bahamas has been quite forward-looking in this regard; the Electronic Transactions and Communications Act 2003 says that in the context of the formation of a contract, unless otherwise agreed by the parties, an offer and the acceptance of an offer may be expressed by means of electronic communications. An 'electronic communication' is defined as information which is communicated, processed, recorded, displayed, created, stored, generated, received, or transmitted by electronic means. It should be noted that there are key exclusions from the standpoint of Bahamian law, including the creation, execution, amendment, variation or revocation of (i) a will or testamentary instrument; or (ii) a trust; or (iii) the conveyance of real property or the transfer of any interest in real property.

If a deed is required to be registered, or ought to be registered, to preserve priority in section 3 Registration of Records Act, it cannot be expressed or agreed electronically because of the methods of authentication on which the Act insists. Therefore, at least for the moment, it is not possible to transfer or convey real property located in The Bahamas by means of a blockchain. It is also not possible to have a self-executing will or trust from a Bahamian law perspective. Some day in the future, of course, this might change.

Aliya Allen is a partner at Graham Thompson.

INTERNATIONAL INVESTMENT

THE BAHAMAS INVESTMENT FUND BILL

Building a structure for future growth

THE BAHAMAS INVESTMENT FUND BILL

The Bahamas is considered to be a pioneer, and once a leader, in providing investment fund structures within Caribbean. While today we may not have experienced the overall growth, in terms of number of investment funds established, as with some of our Caribbean competitors, I can say emphatically, and with assurance, that overall Bahamian investment funds have enhanced the total jurisdiction offering and have helped to make The Bahamas a clear choice for financial services in the region.

Product offerings of private banking, trusts planning and investment funds for clients within the USA, Latin America and Europe have been the bulwark of The Bahamas' financial services industry, and our political, our regulatory and our legislative regimes have always been dedicated to ensuring that The Bahamas continues to enhance, develop and grow its financial services sector.

As we look forward to the future for The Bahamas' investment fund offering, the soon to be enacted Investment Funds Bill, 2019 (IFB), has been tabled in parliament with the deliberate intention to level the playing field of global fund services in The Bahamas. Per Section 2(a) of the IFB, the legislation seeks to *"modernise the regulatory framework for investment funds in The Bahamas to achieve international standards and best practices of the investment funds industry"*.

I think there are three key proposed initiatives of the IFB that will continue to enhance The Bahamas product offering greatly are the following:

- The removal of onerous governance burdens, currently placed on fund administrator under the Investment Fund Act, 2003("IFA"), will now be placed on funds directors(or trustees or general partners) and fund managers under the IFB;
- The role of fund managers and operators were somewhat nebulous under the IFA and will now be clarified in the IFB; and
- The introduction of legislation for the cooperation Bahamian funds or fund managers with regard to the European Union of Alternative Investment Fund Managers and Directives (AIFMD), Alternative Investment Funds Managers (AIFM), Alternative Investment Funds (AIF) and AIFMD Custodians.

In the remainder of this article, we will summarily focus on the third enhancement to Bahamian investment funds and investment fund managers with current or intended business in the European Union.

AIFMD

The impetus for the inclusion of AIFMD is simply because, as the European Union addressed the harmonisation of investor protection and marketing within their union through the AIFMD, the eventual elimination of non-EU jurisdictions, like The Bahamas, from participating and marketing to professional investors in the EU without the essential regulations and regulatory

GENESIS FUND SERVICES LIMITED | 308 EAST BAY STREET | NASSAU, BAHAMAS | T: 242 502 7020 | INFO@GENESISFUNDSERVICES.COM | GENESISFUNDSERVICES.COM

supervision was imminent. Therefore, the IFB is strategically drafted to make the appropriate legislative change that mirrors AIFMD and thus when enacted, should allow eligible AIFM, domiciled in The Bahamas, to market AIF to EU-based professional investors.

As an important pre-requisite to this initiative, the Securities Commission of The Bahamas (SCB), has established Memoranda of Understandings (MOU) with EU members through the supervision of the European Securities and Markets Authority (ESMA) on behalf of EU Member States.

These MOUs have been established with all EU countries, with the exception of Italy and Slovenia, and again was the first step of the harmonising The Bahamas and Bahamas' AIFM and AIF with regard to levelling the playing field.

Essentially when the Act is enforce, Bahamian AIFs should be treated in the same manner as EU domiciled funds and the marketing of Bahamian alternative investment funds, including hedge funds, private equity and real estate funds should be allowed in the EU.

"THE SOON TO BE ENACTED INVESTMENT FUNDS BILL, 2019 IS ANOTHER OF MANY FLUID ENHANCEMENTS THAT WILL CONTINUE TO MAKE THE BAHAMAS A CLEAR CHOICE FOR FINANCIAL SERVICES"

Under the IFB, AIFM that are domiciled in The Bahamas and have inclination to market in the EU or manage EU domiciled funds from the Bahamas will have to be licensed by the SCB in accordance with Section 27 of the Bill, and in a manner prescribed by the SCB.

A central tenet of the IFB with regards to AIFMD, AIFM and AIF is that the SCB will be lawfully obligated to regard the rules of AIFMD in the oversight of the Bahamian based AIFM and ensure that the supervision is akin to that of EU Member States. Hence, among other information, quarterly reporting to ESMA will be statutorily required where the Bahamian AIFM is marketing and/or managing an AIF in European States.

The IFB further requires the AIFM:

- to meet certain initial and ongoing capital requirements;
- implement operational policies;
- secure indemnity insurance; and
- provided reporting to the SCB.

Notwithstanding the requirement of AIFMD, the tenor of the IFB seeks to make the investment manager and therefore also the AIFM more responsible and accountable. According to the IFB, additional capital will be based upon a formula using the value of funds managed in a portfolio.

The required amount of indemnity insurance needed by an AIFM will be evaluated against risk and liability due to professional negligence.

In addition to the stricter requirements just stated, AIFM will have ensure that adequate and proper human and technical resources, proper internal controls, proper documented controls to safe

guard and protect electronic data processing, and sound books and records are kept.

Unprofessional investment managers on the whole, under the new IFB, will simply not be allowed in The Bahamas and certainly will not be able to prospect using Bahamas investment fund vehicles as marketing structures for European investors.

Notwithstanding the high level of regulation and supervision by the SBC, AIFM will be allowed to delegate some of the functions to a third party.

The AIFM must first justify to the SCB objectively why the delegation is required and after clear justification, the AIFM must demonstrate that the delegate has, not only the ability, but also the resources to perform the function or functions delegated. In addition, the delegate must be fit and proper and must be able to be supervised by the SBC without interruption.

Further, the AIFM must be able to monitor and give instructions directly to the delegate without any encumbrances and will need to be able to revoke the delegation with immediate effect for and in the best interest of investors. Most importantly, the essences of the delegation cannot be a sham where the AIFM effectively becomes a "letter-box entity".

The AIFM will be prohibited from delegating portfolio and risk management functions to an AIMFD custodian or to an eligible entity unless the delegate has "functionally and hierarchically separated its portfolio management or risk management functions from its other potentially conflicting functions, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the investment fund".

In referring to the AIMFD Custodian, it is noted that the IFB further enhances The Bahamas' offering by inclusion of legislation that defines this role.

For the purpose of AIFMD and per Section 91 of the IFB, only a) banks and trusts regulated by the Banks and Trust Companies Regulation Act (Ch. 316), b) person registered under the Securities Industry Act, 2011, c) similar regulated entities, with ongoing supervision in a prescribe jurisdiction and d) AIFMD custodians authorised by a competent authority in a EU Member State, can perform as custodians under the new IFB. The IFB seeks to align custody rules for Bahamian AIF with those of EU AIF by clearly laying out provisions that deal with AIFM conflicts of interest, cash flow monitoring, compliance and delegation functions, and numerous reporting and compliance requirements to protect and safeguard the European Investor and the overall reputation of The Bahamas as a jurisdiction.

Overall, the IFB is a welcomed addition to The Bahamas' financial services product offering. The enactment of the Bill will confidently put The Bahamas at a competitive advantage. The Bahamas has enjoyed the reputation of being a well-governed, well-regulated, well-respected and a highly educated jurisdiction with a dynamic, fluid, progressive legislative regime. The soon to be enacted Investment Funds Bill, 2019 is another of many fluid enhancements that will continue to make The Bahamas a clear choice for financial services.

INTERNATIONAL INVESTMENT

IN THE HOT SEAT

Video: Investors Trust's Ariel Amigo

ARIEL AMIGO, INVESTORS TRUST

In this video (above) ***Gary Robinson*** visits Ariel Amigo, Investors Trust's chief marketing and distribution officer, at the company's administrative headquarters in Miami's Brickell financial district, to discuss its origins, rapid growth and plans for the future

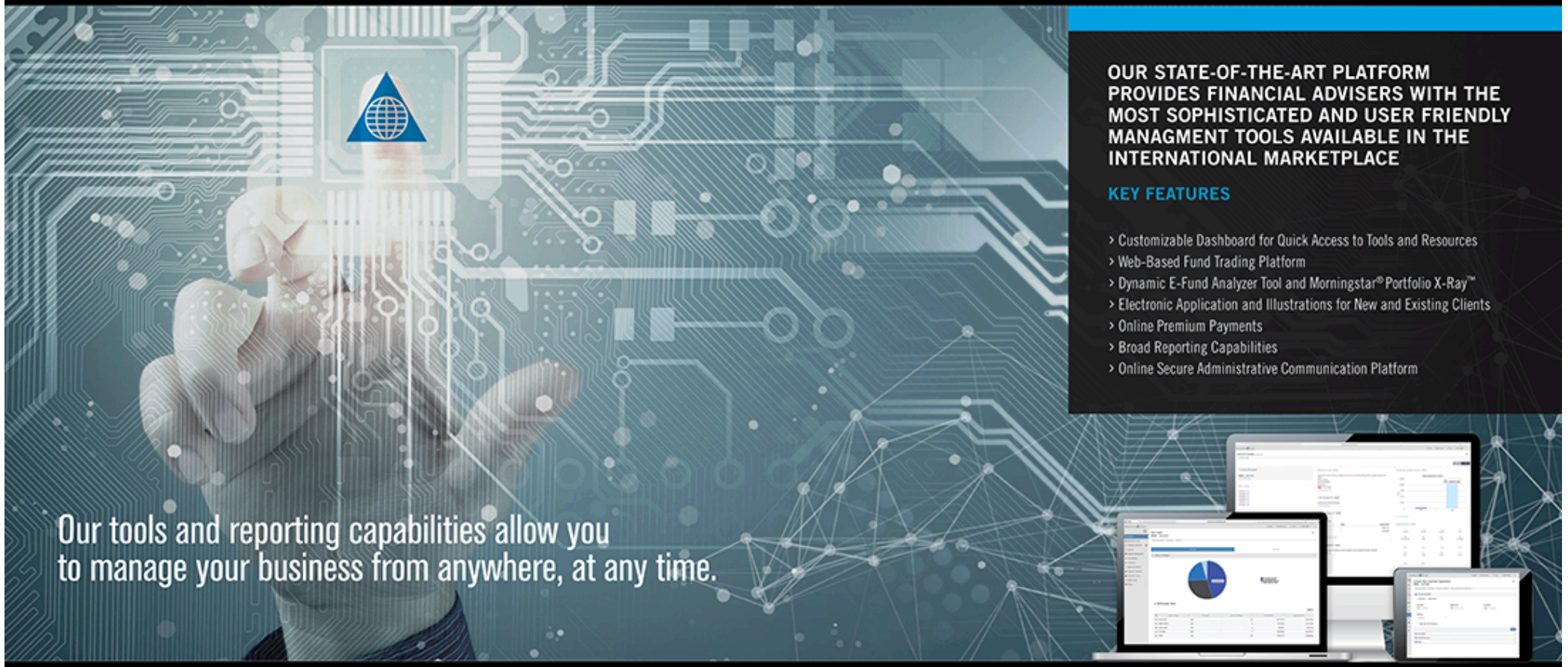
CAREER HISTORY

ARIEL AMIGO

In this latest Big Interview Ariel Amigo, chief marketing and distribution officer at Investors Trust outlines how Investors Trust has been able to grow from its origins in the Latin American space to now be able to offer products to the wider international financial services world, using the company's multi-jurisdictional approach and "listening to the adviser" when it comes to creating new products.

Amigo reveals his own personal path into the industry and also discusses how being a more recent entrant to international investment products world –as a "younger and more nimble" company – has enabled Investors Trust to use technology to create more innovative products and services to meet the expectations of international advisers.

Investors Trust
GLOBAL EXPERTISE COMMITTED TO YOUR MARKET



OUR STATE-OF-THE-ART PLATFORM PROVIDES FINANCIAL ADVISERS WITH THE MOST SOPHISTICATED AND USER FRIENDLY MANAGMENT TOOLS AVAILABLE IN THE INTERNATIONAL MARKETPLACE

KEY FEATURES

- Customizable Dashboard for Quick Access to Tools and Resources
- Web-Based Fund Trading Platform
- Dynamic E-Fund Analyzer Tool and Morningstar® Portfolio X-Ray™
- Electronic Application and Illustrations for New and Existing Clients
- Online Premium Payments
- Broad Reporting Capabilities
- Online Secure Administrative Communication Platform

Investors Trust is the global brand representing the ITA Group of companies including ITA International Holdings and its subsidiaries. ITA International Holdings is the parent company of Investors Trust Assurance SPC based out of the Cayman Islands and rated "A-" by AM Best; ITA Asia Limited, a Labuan licensed company based in Malaysia; and, ITA International Insurer, a Puerto Rico based and licensed company. Investors Trust is a registered trademark of Investors Trust Assurance SPC which rated "A-" by A. M. Best Company. For the latest rating, access www.ambest.com. Investors Trust Assurance SPC is a member of the Association of International Life Offices (AILO). Investors Trust products are distributed through a global network of independent financial advisors. If you are interested in joining this global network, please contact us by e-mail at advisers@investors-trust.com.
The information contained in this material does not constitute an offer or solicitation to anyone in any jurisdiction in which an offer is not authorized, or to any persons to whom it is unlawful to make such an offer or solicitation. Please consult your own legal, tax or investment professional before making any financial decisions.

Follow us: www.linkedin.com/company/investors-trust

MORNINGSTAR® McAfee SECURE Norton SECURED powered by VeriSign AILO A.M. BEST

A CLEAR CHOICE FOR FAMILIES

Glinton Sweeting O'Brien's Linda Beidler D'Aguilar outlines the options for family offices

THE BAHAMAS: THE CLEAR CHOICE FOR INVESTMENT FUNDS UNIQUELY SUITED FOR USE BY FAMILY OFFICES

As wealthy families seek to engage more closely and gain greater control over their financial and personal affairs, family offices have risen to play vital roles in the cohesive and coherent management of business interests in tandem with domestic and personal affairs.

A family office can serve as the umbrella under which a family's multitudinous affairs can be collected, organised and managed, as well as providing a structured and disciplined means by which to evaluate evolving opportunities and obligations as well as a forum for considering overarching objectives.

Creation of centralised control and responsibility for integral functions around the family's various interests and obligations provides stability over extended time periods. Family offices use a variety of tools to accomplish these goals, and this article describes the benefits of using a Bahamian investment fund in this context.

OPTIONS APLENTY

A family has a number of choices to make when considering its intergenerational planning, but whether a trust is established or not, an investment fund can be a savvy choice for holding and handling some or all of the family's assets. Because all open-ended funds established in The Bahamas must be licensed, and closed end funds may elect licensing, a licensed investment fund offers transparency to family members in light of the disclosure, reporting and accounting requirements arising under the relevant statutes. Further, Bahamian investment funds offer considerable flexibility in structure and in style.

There are no restrictions on the types of assets which may be held in an investment fund. Therefore, in addition to 'traditional' investment assets such as stocks and bonds, interests in operating businesses, art or jewellery collections, yachts, planes and other non-financial assets can be held in an investment fund.

An investment fund need not have its shares or interests denominated in a single currency: instead, different classes of interests may be denominated in different currencies to accommodate bookkeeping and accounting where assets are disbursed across multiple currencies.

A family may also want the opportunity to divide interests in various assets according to the members' own requirements.

The flexibility inherent in a Bahamian investment fund permits a family to organise members' interests in a variety of ways, such as by:

1. grouping assets by type and placing each type of asset in a separate class;
2. grouping assets by currency and placing the assets into classes by currency; or
3. creating a class for each family member.


GSO
Counsel & Attorneys-at-Law
Assisting our clients with intelligent, compliant planning since 2005.
Knowledge | Expertise | Service | Solutions
gsolegal.com
Nassau | Albany
Photo by Colin Ruggiero

In instances like (1) and (2) above, the shares in each class can be allocated between family members, with the opportunity to divide the interests in each class differently if so desired.

For instance, the family may wish to issue majority interests in a class holding an operating company to the family member(s) who are directly involved with the company. Alternatively, each family member can hold a class of interests in the fund as per (3) above, which would work particularly well in instances where the holdings are largely or exclusively stocks, bonds and the like.

It is also possible to select the type of investment fund used depending on the number of family members who will hold interests, and the level of disclosure and financial reporting that is thought to be necessary.

The most stringent requirements are imposed if the family elects to use a 'professional' fund, which must issue an offering document which includes the information prescribed by regulation and which must prepare audited financial statements on an annual basis for distribution to its investors and to the Securities Commission of The Bahamas.

"A FAMILY HAS A NUMBER OF CHOICES TO MAKE WHEN CONSIDERING ITS INTERGENERATIONAL PLANNING, BUT WHETHER A TRUST IS ESTABLISHED OR NOT, AN INVESTMENT FUND CAN BE A SAVVY CHOICE FOR HOLDING AND HANDLING SOME OR ALL OF THE FAMILY'S ASSETS"

Linda Beidler D'Aguilar, Glinton Sweeting O'Brien

Every investor in a professional fund must meet a number of basic qualifications as to income or assets, which is unlikely to pose any difficulties in a family office scenario.

A professional fund is therefore best suited to circumstances in which highly disciplined reporting and disclosure is desired.

THE SMART MODEL

Alternatively, it is possible to use a 'SMART' Fund model – SMART is an acronym for "Specific Mandate Alternative Regulatory Test" and a SMART Fund is an investment fund that utilises one of seven templates contained in the SMART Fund Rules which were expressly designed to permit innovative and flexible structuring of investment funds. Certain templates limit the number of investors, while others impose investor qualification requirements, either as to income or assets, or by amount invested.

Whatever template is chosen, though, there are two common elements: a SMART Fund need only issue a term sheet, and it need not produce audited financial statements on an annual basis. What are the resulting advantages?

A term sheet can be substantially simpler to produce than an offering document, and thus may be a more cost-effective approach to disclosure since the family can itself determine the contents.

And a SMART Fund is the ideal vehicle to use if the investment fund will hold illiquid or difficult to value assets, since it will not be required to undergo an annual audit. But, to facilitate transparency a SMART Fund is required to produce semi-annual performance reports to its investors – and investors could elect to have an audit done at a periodicity they set themselves.

Unsurprisingly, one important feature to consider if using an investment fund within a family office is the appointment of appropriate persons as its directors.

As investment instruments become increasingly complex and markets move more and more rapidly, the directors' qualifications for their role and their commitment to their role is critically important to the success of a family's investment fund.

At the same time, there is an increased focus on responsibility for investment strategy, risk management, accounting treatments and compensation, leading to pressure for decision-making at the highest levels of the company

"ONE IMPORTANT FEATURE TO CONSIDER IF USING AN INVESTMENT FUND WITHIN A FAMILY OFFICE IS THE APPOINTMENT OF APPROPRIATE PERSONS AS ITS DIRECTORS"

Linda Beidler D'Aguilar, Glinton Sweeting O'Brien

rather than delegation to others, no matter how specialised their services or roles may be. This is reflected in a prescient decision handed down in December 2005, in which Justice Lyons of the Supreme Court of The Bahamas stated:

"The job of a director must be seen as 'hands on' and must be filled by persons with sufficient knowledge and skill so as to understand the business of investment. These directors must be expected to have at least a rudimentary understanding of the investment markets. They simply cannot rely on others (including trade advisors and investment managers) by leaving everything to those persons without checking on them. ...[The] directors are expected to inquire of those persons who are directly handling the fund investments in such as way that it can reasonably be seen that they are overseeing these persons and service providers." *Oceanic Bank & Trust Limited v. M J Select Global Limited (in compulsory liquidation) [2005] 5 BHS J No. 520, ¶199*.

Finally, managing a fund's investments, producing performance and management reports, keeping proper records and ensuring good governance requires the dedicated effort of qualified staff members in order to satisfy increasingly sophisticated and detailed requirements.

In The Bahamas, there are an abundance of skilled and dedicated service providers including accountants, attorneys, investment advisors, compliance professionals, managers and staff, who are readily available to assist. Moreover, The Bahamas' ready accessibility to major markets such as New York and Toronto, and close proximity to Miami, make it easy to access or recruit qualified external personnel operating in the same time zone as the investment fund.

BAHAMIAN TRUSTS AND FOUNDATIONS REVISITED

Higgs & Johnson's Kamala Richardson explains how trusts in The Bahamas are built on solid foundations

BAHAMIAN TRUSTS AND FOUNDATIONS REVISITED

In the face of ever-evolving international standards of regulation, the global landscape of financial services and wealth management is in a constant state of flux. This has never been more true than within the past two years as international financial centres (IFC) have had to adjust at almost break neck speed to the mandates of the OECD and EU which call for the substantiation of economic presence, removal of preferential tax regimes and for increased transparency in relation to corporate entities.

Largely, IFCs have responded by legislating to require corporate entities existing under their laws to have economic substance within their respective jurisdictions, to remove any preferential tax treatment non-resident owned entities may receive and to create beneficial ownership registers for those entities.

The Bahamas' response came, towards the end of 2018, in the form of the Commercial Entities (Substance Requirements) Act, Removal of Preferential Exemptions Act and the Register of Beneficial Ownership Act.

As a result of increased regulation, naysayers of IFCs have questioned the continued utility of corporate entities in private wealth management. However, the diversity of The Bahamas' offerings in the wealth management sphere- which include trusts and foundations- will help it to remain a steadfast and key player in the international financial services and wealth management markets.

TRUSTS AT A GLANCE

The Bahamian trust is a long standing fixture in the international wealth management market and is a favourite amongst trust practitioners the world over for asset protection. However, The Bahamas' history of recognising trusts is even longer. This history is deeply rooted in the ancient common law legal system of England.

Going beyond.

Legal Advice & Service from a Team you can Trust.

Operating from two of the world's leading international financial centres, HIGGS & JOHNSON offers sound legal counsel and business insight to discerning clients around the globe.

H&J

HIGGS & JOHNSON

Counsel & Attorneys-at-Law

A full service corporate and commercial law firm | THE BAHAMAS | CAYMAN ISLANDS | *www.higgsjohnson.com*

In modern times, much of the law relating to trusts in The Bahamas has been supplanted by innovative statutory reform. *The Trustee Act, 1998* (the "Trustee Act") is the embodiment of that reform and provides the corner stone of Bahamian trust legislation. Although it is derived from the *English Trustee Act 1925*, the Bahamian Trustee Act has taken on a life of its own.

One innovative feature of the Trustee Act is its displacement of the rule in *Saunders v Vautier* by barring beneficiaries from terminating or modifying a trust if such action would defeat a material purpose of the settlor in creating the trust.

Additionally, the Trustee Act permits an extensive arrangement of powers to be reserved to the settlor (or to any other person for that matter) which is a marked departure from English common law.

This is particularly interesting in light of the English High Court's recent decision in the case of *JSC Mezhdunarodny Promishlenniy Bank v Pugachev* (the "Pugachev case") which declared that certain

"THE TRUSTEE ACT, 1998 IS THE EMBODIMENT OF THAT REFORM AND PROVIDES THE CORNER STONE OF BAHAMIAN TRUST LEGISLATION. ALTHOUGH IT IS DERIVED FROM THE ENGLISH TRUSTEE ACT 1925, THE BAHAMIAN TRUSTEE ACT HAS TAKEN ON A LIFE OF ITS OWN"

New Zealand law governed trusts were illusory because the economic settlor, Mr Pugachev was deemed not to have divested himself of his beneficial interests in the trusts' assets, or, in the alternative that the trusts were a part of a sham which was intended to conceal Mr Pugachev's control of the assets settled in them.

A key factor in the court's ruling was that the terms of trusts reserved extensive powers to the Protector, who by design, happened to be Mr. Pugachev, including the power to remove trustees with or without cause.

New Zealand law, as applied in the case, is similar to English law in that it does not recognise the concept of reserved powers; Bahamian law, on the other hand, does. The Trustee Act permits powers to be reserved to a settlor of a trust (or to any other person, such as a Protector), including the power to appoint the settlor as the protector of a trust and also the power to remove trustees, and provides expressly that a trust shall not be invalidated by reason of such powers being reserved to the settlor. Therefore, it is unlikely that the English court would have arrived at the same conclusion- and near impossible that a Bahamian court would have, if the trusts in the Pugachev case had been governed by Bahamian law.

The most recent amendments to the Trustee Act were made in 2016 and were made to re-assert the rule in *Re Hastings-Bass* which was eroded by the 2013 decision in the conjoined appeals of *Pitt v Holt* and *Futter v Futter* ("Pitt & Futter").

In sum, the rule in *Re Hastings-Bass* allowed

trustees to apply to the court to void an exercise of their power where they either failed to take into account relevant considerations or took into account irrelevant considerations. However, in Pitt & Futter, it was decided that only beneficiaries could apply to the courts in these instances and that the exercise of power must involve a breach of trust by the trustee in order for the beneficiaries to do so. The 2016 amendments to the Trustee Act effectively removed these conditions where a Bahamian law governed trust is concerned, thereby preserving a useful means for trustees to unwind the unintended and harsh consequences that may flow from an exercise of their power.

The Trustee Act is underpinned by a cadre of supporting legislation. Notably, one such piece of legislation, the *Fraudulent Dispositions Act, 1991* forms the crux of the Bahamian asset protection regime. This Act limits when and in what circumstances a creditor of a settlor may claim against the assets of a trust.

Specifically, creditors are only permitted to claim against trust assets if the transfer of the assets to the trust was made at an undervalue, with an intent to defraud creditors who would be prejudiced by the transfer. Only in these circumstances are creditors given a period of two years within which to bring their claims, otherwise their claims are statute barred.

While other IFCs, such as Cayman, Bermuda and Anguilla, have similar fraudulent disposition legislation, the limitation period under the Bahamas' legislation (i.e. two years) is significantly shorter, with Cayman's and Bermuda's limitation periods being six years and Anguilla's being three years. In light of this protection, a person embarking on a speculative business venture may insulate his or her assets from creditors ahead of time in the event that the venture fails.

The asset protection element of Bahamian trusts is also enhanced by the Trusts (Choice of Governing Law) Act 1989. This act clarifies the conflict of laws rules as they relate to Bahamian trusts and prevents the Bahamian courts from recognising or enforcing foreign judgements based on matrimonial or forced heirship claims made against the settlor or a beneficiary of a trust. Effectively, attempts by any person, including a spouse of a settlor or beneficiary of a Bahamian trust, to attack the assets settled in that trust through the courts of a foreign jurisdiction would not be given effect to by a Bahamian court.

Another notable piece of supporting legislation is the *Rule Against Perpetuities (Abolition) Act, 2011* which abolished the requirement for a trust to have a perpetuity period. As such, trusts may exist in perpetuity. This enables settlors to make better provision for generations to come. Also, where a trust is a component in a commercial structure, it would be afforded the same potential to exist in perpetuity as a company within that structure.

RE-DISCOVERING THE FOUNDATION

The foundation is a relatively new addition to The Bahamas' wealth management structure arsenal.

Foundations, although not strangers to Bahamian practitioners, were formally introduced to Bahamian law under the Foundations Act, 2004. The foundation is originally a creature of civil law, with similarities to both a trust and a company.

This becomes apparent when considering that foundations, under Bahamian law, may have beneficiaries like a trust and that they are separate legal entities capable of holding assets and being sued in their own name, akin to companies. The dualistic nature of the foundation therefore makes it an apt choice for a standalone entity, to hold and administer wealth for the benefit of a family, or for a component of an international estate plan, used to hold assets for investment and re-investment.

Under Bahamian law, a foundation is required to ensure that one of its main purposes is the management of the assets settled into it. Its primary purpose must be to carry out the wishes of its founder as set out in its constitutive documents (i.e. charter and/or articles). It may engage in commercial activities, such as the buying and selling of further assets, provided those activities are incidental or ancillary to the foundation's main purposes.

In a familial wealth management context, the main purpose of the foundation may be for instance: to provide for the financial welfare of

"OVER THE YEARS, THE BAHAMAS HAS CONTINUED TO ADAPT, AND RE-ADAPT, ITS WEALTH MANAGEMENT OFFERINGS"

family members, inclusive of their maintenance and education. Therefore, the foundation, in order to ensure that it has assets to do this, may trade its assets to produce the necessary income flows. In a large commercial structure, the foundation may be used as holding vehicle for the shares of one or a number of companies.

The governance of a foundation can look very much like a company, with officers appointed to undertake its day to day management and decision making, much like company directors. In the alternative, where no officers have been appointed, the governance of a foundation is undertaken by a foundation council or other similar body. In addition, the founder of a foundation may reserve powers to himself or herself, such as the power to appoint and remove officer or foundation council members, or to veto distributions of the foundation's assets, similarly to the reservation of powers permitted for Bahamian trusts.

Foundations are required to be registered with the Registrar of Foundations in The Bahamas and must have an initial endowment of assets valued at least US$10,000 or the equivalent in another currency.

LOOK AGAIN

Over the years, The Bahamas has continued to adapt, and re-adapt, its wealth management offerings, wherever possible, so as to keep abreast of changing trends in the financial services and wealth management landscape. Doing so has enabled its trust and foundation offerings, which are undoubtedly progressive and easily tailored to clients' needs, to take pride of place in the competitive IFC arena.

When considering options for international wealth planning, the Bahamian trust and foundation deserve heightened consideration.

INTERNATIONAL INVESTMENT

DIRECTORY: PROFESSIONAL SERVICES

A listing of some of the biggest players in offshore financial services

Canada Life International, Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ

Tel: +44 (0)1624 820200; Fax: +44 (0)1624 820201
e-mail: adviser.support@canadalifeint.com. Web: www.canadalifeint.com

Profile: Canada Life International Limited (CLI) established 30 years ago remains one of the leading offshore providers with assets under administration of £14.3bn (as at 31 March 2017). CLI is the only offshore insurer to maintain a five-star AKG Annual Financial strength rating for 14 consecutive years. Through CLI Institutional Limited, institutional and UHNW clients have a level of policyholder protection that isn't otherwise available in the UK offshore market. In 2015, CLI also completed the acquisition of Legal and General International (Ireland). This has enhanced the choice available to UK investors by providing them with a choice of jurisdictions within one compelling offshore proposition.

Offering: Canada Life International Limited (CLI) offer a wide range of regular and single premium investment bonds, tax and estate planning solutions and whole of life protection solutions. Our investment options include full open architecture, links to over 40 platforms and over 150 discretionary investment managers as well as over 150 internal linked funds. Our team of technical specialists offer more than 200 years of experience in taxation, trusts, estate planning and pensions between them. In addition, we publish and back our service standards with a no quibble, non-performance penalty system.

Generali Worldwide, PO Box 613, Generali House, Hirzel St, St Peter Port, Guernsey, Channel Islands GY1 4PA

Tel +44 (0) 1481 712 108; Fax +44 (0) 1481 712 424
e-mail: enquiries@generali-worldwide.com

Profile: Generali Worldwide is a wholly owned subsidiary of the Generali Group. Founded on the strength of this international presence and wide-ranging expertise, Generali Worldwide specialises in offering life insurance-based wealth management and employee benefit solutions to a global audience, including multinational organisations, international expatriates and local resident populations in licensed territories.
The company's head office is based in Guernsey, a premier international financial centre, and is a registered insurer under the Insurance Business (Bailiwick of Guernsey) law, 2002 (as amended). It is also an authorised insurer in the Bahamas, British Virgin Islands, Cayman Islands, Hong Kong, Jersey and Singapore.

Offering: A range of individual unit-linked regular and single premium-based savings, retirement and investment plans and an open-architecture portfolio bond along with group retirement and savings products, group life and disability and healthcare products.

Harbour Court, Lord Street, Box 192, Douglas, Isle of Man IM99 1QL

Tel: +44 (0)1624 688 000
e-mail: global.support@hansard.com; Web: www.hansard.com

Profile: Hansard International has been providing innovative financial products and services for international clients since 1987 and forms part of Hansard Global plc, which is listed on the London Stock Exchange. We administer assets in excess of US$1bn for over 500 financial advisor businesses with over 40,000 client accounts, in over 155 countries. We are celebrating our 30th anniversary in 2017, and already planning ahead for the next 30 years.

Offering: In the ever-changing landscape of financial services, Hansard International prevails as a steady and constant presence. Whilst other providers around us have changed their name, ownership, identity and focus over the years, Hansard International has remained committed to providing innovative financial products and services for financial advisers and their international clients. This strong heritage, which is coupled with exceptional levels of service and a focus on innovation through the use of technology, makes us an exceptional proposition in our marketplace.

Investors Trust

E-mail: advisers@investors-trust.com; Web: www.investors-trust.com; LinkedIn: www.linkedin.com/company/investors-trust

Profile: Investors Trust was established in 2002 as an international insurance group to provide a modernised approach with products designed to meet the demands of different markets. Over the years, Investors Trust has become a leader in the industry by continuing its focus on flexible solutions, enhanced opportunities, advanced technologies and world-class customer support.

Offering: Investors Trust works with some of the world's top asset managers under its convenient open architecture platform. Specialising in medium to long term unit-linked investment products, Investors Trust offers a broad range of flexible solutions to satisfy the individual needs of international investors. With multiple jurisdictions to choose from, Investors Trust gives investors the power to select and build a plan that fits their current lifestyle while generating wealth to reach their financial goals.

Tel: +44 (0) 1624 655555, E-mail: salessupport.uk@ominternational.com; Web: www.oldmutualinternational.com

Old Mutual International is a leading cross-border provider of wealth management solutions. Our aim is to help financial advisers manage and grow their clients' investments; not just for their own future, but for their family and the generations to come.

We are one of the few financial service providers to operate in multiple global markets, offering effective financial planning solutions to expatriates and local investors across the world including Africa, Asia, Europe, Latin America, and the Middle East.

In an ever-changing regulatory landscape, it's crucial that financial advisers stay ahead of the game. We are here to give them all the support and technical expertise they need to help them maximise opportunities for their clients.

Old Mutual International is part of Quilter, a leading provider of advice, investments and wealth management both in the UK and internationally, managing over £100 billion of investments on behalf of over 900,000 customers (as at 31 March 2018). Quilter plc, our group holding company, is listed from 25 June 2018 on the London and Johannesburg stock exchanges.

4th Floor, Rodus Building, Road Reef, Road Town Tortola, British Virgin Islands

Tel: +1 305 443 9610

e-mail: info@premiertrustglobal.com; Web: www.premiertrustglobal.com

Profile: Premier Trust offers a uniquely tailored suite of unit-linked products that grant international investors the opportunity to create a portfolio of investments in a simple and sustainable manner. Premier Trust, part of PA Group's Life and Investment division, provides clients access to some of the world's leading fund and asset managers as well as best-in-class custodians. From protecting our clients' health with worldwide coverage to helping them achieve a successful financial future, PA Group creates financial security road maps for life's most significant events. For over 18 years, PA Group has guided and protected our clients with comprehensive health and wealth accumulation solutions.

Offering: Our investment products include regular savings and lump sum premium plans with principal protection in multiple currencies (USD, AUD, EUR, GBP), as well as plan options with a broad selection of investment funds and ETFs. With a dedicated administration team and a proprietary online platform, Premier Trust delivers personalised customer service with multi-language support to advisers and clients in over 40 countries. For more information on Premier Trust's investment solutions, visit www.premiertrustglobal.com.

RL360°

RL360 House, Cooil Road, Douglas, Isle of Man, IM2 2SP

Tel: +44 (0) 1624 681682
e-mail: salessupport@rl360.com; Web: www.rl360.com

RL360° is one of the fastest growing international life companies, with offices around the globe and policyholders residing in 170 countries at all points of the compass.

We're part of International Financial Group Limited (formerly RL360 Group), which has 70,000 policyholders, in excess of US$10 billion assets under management and 335 staff.

Investing with RL360° means choosing a financially strong and uniquely structured company. We have a B+ rating from actuarial consultancy AKG, as well as 4 stars for service. And you can take great confidence from our Isle of Man location, a well-established global financial centre with an outstanding reputation for investor protection and security.

utmost™
WEALTH SOLUTIONS

Royalty House, Walpole Avenue,, Douglas, Isle of Man, IM1 2SL, British Isles

Tel: +44 (0) 1624 643 468 (Telephone calls may be recorded)
e-mail: welcome@utmostwealth.com; Web: www.utmostwealth.com

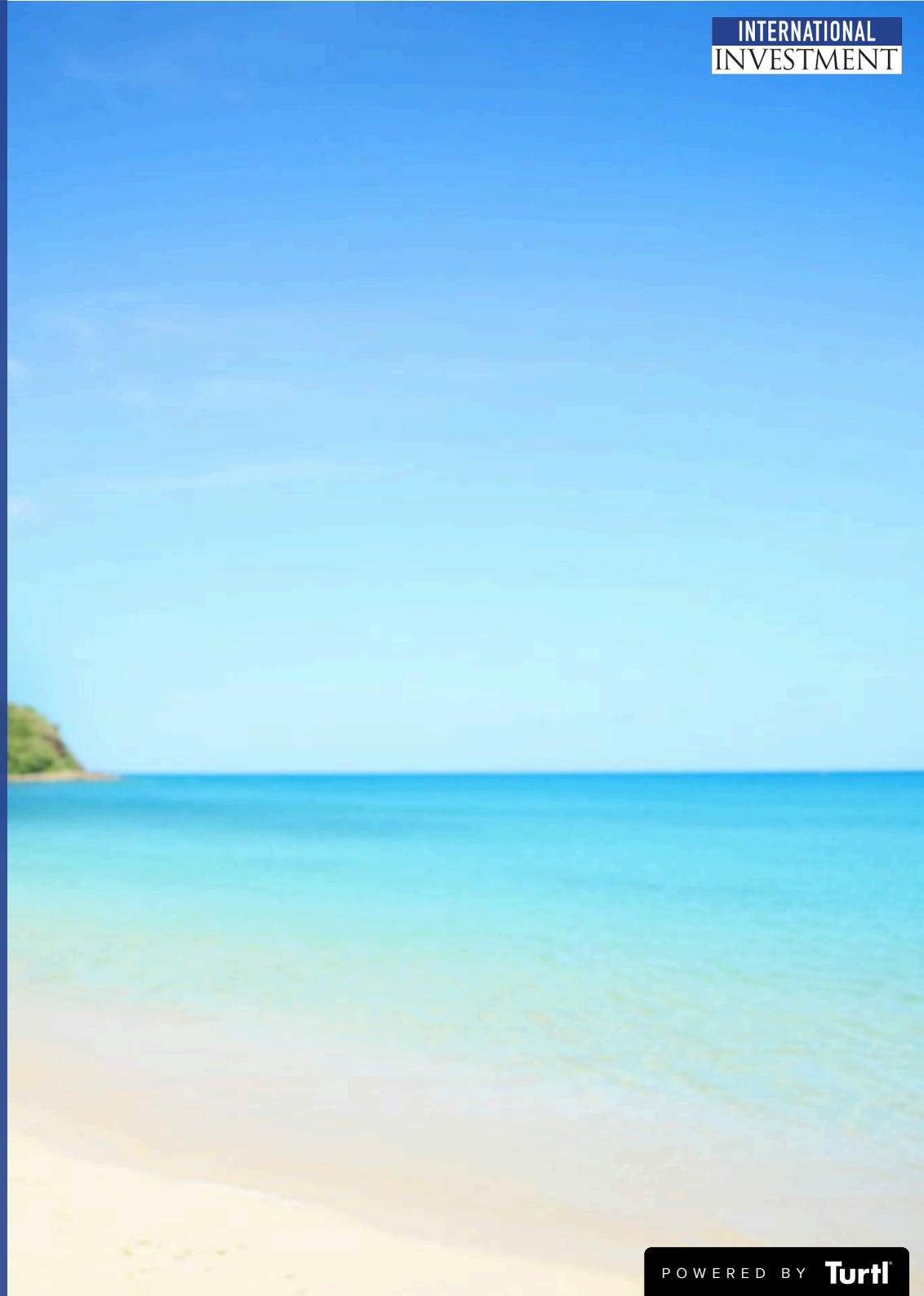
Profile: With a 25-year heritage, Utmost Wealth Solutions is a provider of award-winning offshore bonds for high-net-worth UK residents. Having recently opened a Dublin office to complement our long-established Isle of Man base, we can now offer a choice of jurisdiction in addition to a range of investment options, including a bond with full discretionary management. Recognising the complex and continually changing financial planning landscape, our highly-respected technical support can help you consider appropriate solutions for your high-net-worth clients. With £12bn funds under management and 36,000 policyholders (31 December 2016), we're here to make a wealth of difference.

Offering: Flexibility and choice are at the heart of our single premium bonds. Our Isle of Man-based Evolution offers access to a wide range of investment options. The Estate Planning Bond, also Isle of Man-based, is combined with a discounted gift trust and is designed for IHT planning. We also have two Dublin-based life assurance bonds. Selection offers access to a wide range of open architecture investment options, while Delegation provides access to all the investment flexibility offered via a discretionary fund manager. Utmost Trustee Solutions, our in-house trustee service delivers expert support in all trust administration matters

INTERNATIONAL INVESTMENT

Thank you for reading

THE CARIBBEAN SPECIAL REPORT



Cookies Terms Privacy

POWERED BY Turtl