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Professional, Confidential, Trustworthy and Friendly  
GCSL - We are here to CONSULT and Serve You!



### JACK'S CORNER

*Many thanks for all the emails regarding my "transfer of companies" comments last month. I have included some of those comments below (names have been removed, but permission has of course been obtained). These are the voices of clients...will the industry listen?*

*"Transfer fees are for firms that cannot compete."*

*"Shameful conduct!"*

*"Regarding the transfer fee, it is unacceptable. Particularly, if the agent just started this policy, it means that it is acting unethically. The Clients should be informed about the policy change before implementation. We will definitely not pay any ridiculous fee to the agent based on it's new unethical policy"*

*"Last week I had a terrible experience...One of my old clients wanted to follow his administrator who had left one trust company and moved to another. Unfortunately, there was some bad blood, and the trust company which was losing the client refused to cooperate. They demanded thousands of dollars in crazy fees to transfer the files. Fortunately, we overcame this, and eventually got the job done. Now, I have modified my documents so this never happens again as I am requiring every trust company who gets a client from me to commit to transfer the files without charge if requested."*

*Now, I get to this month's "pet peeve"...*

*Confidentiality and Control: It is not unusual to meet with a prospective client who is seeking a maximum degree of confidentiality with total control of his/her money. Neither "confidentiality" nor "control" is necessarily mutually exclusive objectives on their face. However, the reality is these two objectives suffer something of a converse relationship. That is, the greater degree of confidentiality, the lesser degree of control and the lesser degree of confidentiality, the greater degree of control. My disappointment usually rears its ugly head in the context of the client company's bank account. It is somewhat common for the service provider during his pitch to claim the client will achieve total confidentiality by using a "nominee" corporate director and nominee corporate shareholder, but will also achieve total control by being the sole signatory on the company's bank account. Poppycock!!! First, I am sorry to be the bearer of bad news, but there is no such thing as "total" confidentiality. If you are naughty and someone is willing to spend the money, then confidentiality will be pierced. Bottom line is do not make "confidentiality" the foundation of your structure...bad planning!!! Second, the board of directors has the ability to remove and appoint signatories for the company's bank account. The service provider often controls the board of directors. A simple board resolution and, voila, you are no longer a signatory and someone else "controls" the company's bank account. Beware of the confidentiality / control shell game...*

Off to "school" (what I call work). Thanks for taking the time to read my thoughts for the month.

Onwards and upwards...



## GCSL NEWS

### ASIA OFFSHORE ASSOCIATION CONFERENCE IN BANGKOK WAS A BLAST!!!



One hundred brave delegates from around the world joined us in Bangkok despite a military coup only a few days before the event. The Oriental Hotel's long-serving general manager expressed his thanks and indicated he was very impressed with AOA delegates given the many cancellations experienced by other hotels holding equally large conferences for overseas delegates. He said AOA members must know Asia and definitely know Thailand! Congrats to the AOA members...you distinguished yourselves!!!

We think delegates enjoyed the varied speakers from around the world and the region, and we have received excellent feedback and suggestions for topics/speakers at the next AOA conference in Singapore from March 25 to 27, 2007. Of equal importance, AOA delegates enjoyed some excellent extra-curricular activities including an extremely "boozy" cruise down the Chaopraya River where AOA delegates demonstrated unparalleled wine sipping skills...a new record according to the company that organized the event!!! The State Room cocktail party 67 floors above The Big Mango was sponsored by our friends at InTrust and was truly the highlight of the conference. Perhaps the most memorable part of that cocktail occurred when nearly 100 delegates were escorted by the local police to the venue in 44 of Bangkok's famous "tuk-tuks" ...absolutely no traffic (yes, in Bangkok at 6pm) and a lot of smiling Thai faces witnessing the spectacle from the sidewalks. Below, we provide you with photos that require no commentary!!!



### JACK VISITS THE PLAYBOY MANSION...ALL IN THE NAME OF CHARITY

As many of you know, Jack is a charitable fellow. In that spirit, Jack hopped a plane from Hong Kong on a Saturday, arrived in Los Angeles the same day, attended a charitable event at The Playboy Mansion and dragged himself back to LAX on Sunday for a return flight to Hong Kong. If the AOA conference photos require no commentary, then the one below, well, we think you get the picture...





## USA UPDATE

### BEWARE THE USA ESTATE TAX

June Spurred on by an ideological commitment to low taxes - as well as by generous donations from the billionaire heirs to the Mars Candy, Gallo Wine and Campbell's Soup fortunes, among others -- the Republicans under George W. Bush have been steadfast in their attempt to completely repeal the US estate tax (which they refer to by its focus-group approved moniker - the "death tax"). To this end, they tried twice over the summer to append a bill permanently repealing the estate tax to popular unrelated legislation - namely, pension reform and an increase the minimum wage. Both of these attempts were unsuccessful as moderate Senate Republicans refused to toe the party line, and all this came at the cost a compromise which would have substantially reduced estate tax rates (currently about 45%) and substantially increased estate tax exemptions (currently \$2 Million per person for US residents, and a mere \$60,000 per person for nonresidents). Depending on where you stand on the issue, this may be an example of "the perfect being the enemy of the good." Conventional wisdom has the Republicans losing control of the House of Representatives, and maybe the Senate as well, in November, so chances for outright repeal are now slim to none.

So we remain in a limbo created by the particularly ugly 2001 tax law: The estate tax stays around with progressively lower rates and higher exemptions (although not for non-residents) until 2010, when is totally repealed (for residents and non-residents alike). But then, like Lazarus, the estate tax comes springing back to life with the same high rates (50%) and low exemptions (\$1 Million for US residents) that were in effect back in 2000. Otto von Bismarck's comparison of making legislation to making sausage is apt. Obviously, something needs to be done... so stay tuned. In the meantime, US lawyers continue to draft healthcare directives instructing doctors not to "pull the plug" - that is, at least not until 2010. (The laws of most states do not allow a murderer to inherit from his victim, so clients who kill their parents in 2010 are not, for this and other reasons, well advised.)

And in the meantime, advisors to non-US clients need to continue to be concerned with (among other things) investments in US equities. Much to the shock and surprise of many clients and advisors, a resident of, say, Hong Kong (who has perhaps never even set foot in the US) who owns stock in, say, Microsoft Corporation, will be subject to the US estate tax on his death at a 46% rate over a measly exemption of \$60,000. The traditional work-around is for the Hong Kong resident to hold his shares in Microsoft through one (or three, if the ultimate beneficiaries are US residents) offshore companies, such as a BVI IBC. Assuming the form of the company is respected, on the client's death he doesn't own any US stock - only shares in a BVI company - and so no estate tax is due. Nuances apply, but for well-advised nonresidents owning US equities, the US estate tax is really optional.

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## EUROPE UPDATE

### INVESTING OR TRADING IN THE EUROPEAN UNION THROUGH CYPRUS

Are you planning to trade with the EU? Then use a Cyprus Holding Company as your premiere investment vehicle.

Cyprus, positioned at the East Mediterranean sea across the Suez Canal. Coupled with a good international transport and communications infrastructure and sunny Mediterranean island weather, Cyprus offers itself as an excellent entry point for American, Asian and African companies and entrepreneurs wishing to trade with the European Union.

Cyprus, being termed as the EU rising star for inward investment offers 4 significant benefits for holding companies:

Holding company can derive inward dividends at zero or low withholding tax by utilizing the EU parent/subsidiary Directive (subsidiaries within the EU) and its extensive double tax treaties network (subsidiaries outside the EU). Double tax avoidance treaties with 40 countries include Singapore, Thailand, China, India, USA, UK, Seychelles, Kuwait, other EU countries and ex USSR states.

Cyprus is the lowest tax jurisdiction within the EU (corporate tax is only 10% on the net profits). Flexible reorganization rules enable restructuring with minimum tax implications and exemption from capital gains tax of subsidiaries and the holding company but most importantly, Cyprus is a good EU exit point as unilaterally by domestic law withholds no tax on payment of dividends, interest or royalties to non residents. This law supersedes the bilateral Double Tax Avoidance Treaties.

In addition to the above, Cyprus holding companies enjoy a Unilateral Tax Credit Relief for any taxes paid in the operating country.

There are no substance requirements, no debt equity restrictions, no minimum holding period and no thin capitalization rules. No capital gains or income tax on the disposal of shares of subsidiaries.

Above benefits are also valid or available for trading companies operating from Cyprus at an International level.

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## HONG KONG UPDATE

### CHIEF EXECUTIVE POLICY ADDRESS

Hong Kong's chief executive, Donald Tsang, recently gave his policy address where he unveiled a HKD13.8 billion (approximately USD1.8 billion) budget and claimed the government would focus on achieving the following objectives:

1. improving economic development,
2. assisting families and
3. increasing efforts to protect the environment.

Noble objectives and we hope the chief executive will take concrete action to achieve the same.

### HONG KONG NOT INTERESTED IN EU SAVINGS DIRECTIVE

Martin Glass, Hong Kong's deputy secretary for financial services and the treasury, stated at the recent STEP Conference in Hong Kong that "I would rate the chances of us being included in the savings directive in the near future as being exceedingly small." Simply stated, Hong Kong prefers to remain a low and straightforward tax jurisdiction.

### HONG KONG STOCK EXCHANGE TO ACCEPT FOREIGN ISSUERS

At present, only firms domiciled in Hong Kong, China, Bermuda and the Cayman Islands may list their shares on the Hong Kong Stock Exchange. In his recent policy speech, the chief executive of Hong Kong stated a plan to change this rule so that other issuers from foreign jurisdictions can list their shares on the local bourse. The move is welcome as it does not preclude businesses from using other jurisdictions when considering a Hong Kong listing. Jurisdictions such as Anguilla that have a fully transparent, no tax local company should benefit.



## CHINA UPDATE

### IMPLEMENTATION OF THE RECENT CHINA REAL ESTATE REGULATION

To put the recent China real estate regulation into practice, a notice was issued late September to provide clear guidelines for foreign investors and the regulator.

For a foreign representative office (RO) or branch office (BO) to acquire a property for self-use, the following guidelines have been established:

1. If the funds are remitted from a parent company (outside of China), then certain documents are required, i.e. sales contract, RO / BO registration certificate, etc. These documents need to be prepared and submitted to one of the designated local banks. After examining the documents, the designated bank should transfer the funds directly to the bank account of the real estate developer.
2. If the funds are already in the account of the RO or BO, the same documents also need to be prepared and submitted to the designated local banks to effect the wire transfer. The funds should not be in RMB.

As for a foreign natural person who has been legally working or studying in China for more than one year and wishes to purchase a property for self-use, the following guidelines have been established:

1. If the funds are remitted from a parent company (outside of China), then certain documents are required, i.e. sales contract, valid passport, an employment contract or student registration, etc. These documents need to be prepared and submitted to one of the designated local banks. After examining the documents, the designated bank should transfer the funds directly to the bank account of the real estate developer.
2. If the funds are already in the account of the foreign natural person, the same documents also need to be prepared and submitted to the designated local banks to effect the wire transfer.

For the RO, BO and foreign natural person who sells property and wishes to wire out the proceeds, the following documents need to be prepared and submitted to the local State Administration of Foreign Exchange authority (SAFE) in order to wire out the funds.

1. Foreign currency wire transfer application form
2. Property sales and transfer contract
3. Property sales and transfer tax compliance certificate

As for a Wholly Foreign Own Enterprise (WFOE) engaged in real estate development that is seeking to make a foreign loan, but the registered capital has not been fully paid up, the SAFE will not register the foreign loan and foreign funds will not be converted into RMB. Further, for a foreign investor investing in a local real estate company by acquiring shares, if the purchase price is not fully paid up in one lump sum, the SAFE has the right to reject the application and void the transaction.



## SINGAPORE UPDATE

### THE SWITZERLAND OF THE FAR EAST?

Hitherto, Switzerland and the legendary Swiss Bank Account had always been the preferred vault that would stash away many an extra buck of the rich, with heavy reliance on the masterful Swiss art of banking secrecy and keeping mum to protect the precious assets out of harm's way.

With the advent of the European Union and the Swiss authorities acceding to pressure as such from the EU in its quest against tax evaders, some of the icing from this cake has melted.

The EU's Organisation for Economic Cooperation and Development, in its bid for ending client confidentiality in tax havens in Europe, including Switzerland, had advocated information exchange against harmful tax competition. In the midst of the flurry, the Swiss authorities had no alternative but to compromise. The chiseled a vital crack in the vault and like the proverbial lifting of the corporate veil, the secrecy that was once sacrosanct has been penetrated.

Then came Singapore. In recent years, the tiny Republic, known to the world as a country run like an incorruptible efficient business corporation, and being the most competitive Asian economy, changed its marketing strategy to the world. With a purpose driven strategy to raise Singapore to become a world-class financial hub, she tweaked many of its relevant laws and regulations attract the world's wealthy to her shores. Banking secrecy laws have been beefed up, trust and financial laws made friendlier, tax rates reduced and residence laws relaxed to attract the well heeled to come to the paradise island at the tip of the Malayan Archipelago. Over 50 Double Taxation Agreements have been entered into by Singapore. This re-tweaking is after all a natural progression of things for Singapore, having already established itself as a financial centre in the Far East. With the ceding of Hong Kong back to China, the profile for Singapore was suitable to be raised to the next level.

In account secrecy, Singapore made the crime of breaching the confidentiality of bank customers even greater in penalty than Switzerland, imposing a hefty fine and imprisonment of up to 3 years for violators. The only exception to this confidentiality would be cooperation with foreign governments when money laundering and terrorism is involved. Trust laws, were further tweaked to remove forced heirship, in which certain portions of one's estate had to mandatorily pass to certain family members, regardless of any wills or trust (a bugbear of Europe).

The Republic has also made entry and residence for the wealthy easier (residence being another factor to consider in taxation). Foreigners with a certain amount of money may (easily) apply for residency if they place about \$3 million into a bank in Singapore. They may also use a part of these monies to purchase resort-style waterfront housing on the paradise island of Sentosa, south of Singapore, the site where an intended mega integrated resort comprising theme parks and a casino will soon grace. Singapore has now adopted an open-door approach to all who may wish to work, play or reside there.

Tax rates have also been steadily decreased and corporate tax now sits at a comfortable 20%. Only income earned in and remitted into Singapore is taxable. 59 Double Taxation Treaties have been entered while another 7 await parliamentary ratification. All these measures have already seen dramatic results in Singapore. Poised in a strategic region in South East Asia, private banking funds have flooded the republic. It is estimated that private banking funds alone now account for about \$150 billion, with funds streaming from various sources, including many Europeans moving money from Switzerland.

With the introduction of withholding tax in Europe, including the tax havens with the likes of Switzerland, Luxembourg and Jersey, Singapore has become a channel of obviating these measures. As a result, many major Swiss banks have moved their private banking centers to Singapore to meet the increase demand of the movement of funds to Singapore. Credit Suisse's largest private banking center outside Switzerland is in Singapore, moving its head of international private banking to the Republic, to oversee among other things, its "eurodesk", tasked specifically to serve its European clients. UBS's story in Singapore is also no different. Singapore is not a member of the EU nor the OECD and remains unfazed by the pressure from them to breach confidentiality.

Singapore's efforts in the private banking sector were also targeted at the new wealth in the region fueled by the Asia economic boom. China's rapid economic growth as an economic superpower has raised many a millionaire literally overnight, eager to keep such private funds "out of the country". As Hong Kong is often perceived as part of China, Singapore has the competitive edge to attract such wealth. To date, about a third of private banking funds are from the Asia Pacific region, with the potential to grow exponentially with China blazing ahead in its quest to be the largest economy in the world, while the likes of Vietnam and the other South East Asian countries are ripening with growth. Many of these private funds reside with the Swiss banks in Singapore, serviced by Swiss bankers. Singapore companies have also become a much sought after brand in the realm of tax structures. After all, the Republic has a premium reputation of being a first class, legitimate and respected business arena. Her companies do not get labeled as being from "an offshore" jurisdiction. A long history of political stability (in fact, since its independence in 1965), a solid structure of laws, business friendly government, consistently strong economic growth and an educated and dedicated workforce make many great reasons to set up a Singapore company.

Many other banks, including Swiss banks, are following suit in the steps of Credit Suisse and UBS to set up in Singapore, all taking advantage of Singapore's new order. It is said that Singapore will be the fastest growing offshore private banking centre in the next 5 years. As it is, there are already 104 foreign banks in this island-city.

With the many Swiss banks and bankers now in Singapore, has Switzerland moved to Singapore?

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### **SINGAPORE - UKRAINE INVESTMENT GUARANTEE AGREEMENT**

Singapore and the Ukraine signed an Investment Guarantee Agreement (IGA) on September 18, 2006 during meetings at the World Bank / IMF meeting. This is one of the many IGAs the Singapore government has entered into with various countries. With growing concerns over the rights and protections of its own nationals, the IGA serves as an important mechanism to boost investor confidence as it sets out investment norms and protection. It will also give the most favored nation treatment to investments between Singapore and the Ukraine. This IGA is part of both nations' efforts to attract more foreign investments from each other by pledging to improve their business environments through regulatory reforms. Some of the provisions in the IGA include:

- Most favored nation treatment to be accorded to investments;
- Freely convertible and transferable compensation in the event of expropriation and nationalization; and
- Referral of investment disputes that cannot be settled to the International Center for Settlement of Investment Disputes, established by the Convention on the Settlement of Investment Disputes between the States and Nationals of Other States.

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### **TAIWAN UPDATE**

## LABOR PENSION SYSTEM UPDATE

Over two years ago, the Taiwanese Government introduced a new labor pension system. However, the supervisory authority was not set up accordingly. This year the total amount deposited by employers and employees is expected to reach over NT\$100 billion (appx. US\$3.3 billion) before the end of 2006. Despite the ever increasing size of the pension fund, the supervisory authority overseeing the use of these pension funds has not been approved by the Legislative Yuan. As a result, the Taiwanese Government's Counsel of Labor Affairs has no choice but to deposit these funds into different Taiwanese banks. Some banks are unwilling to pay the 2% annual interest as required by law for the deposits. Thus, the Taiwanese government has to offer millions in subsidies to the pension fund. Flushed with excessive idle funds, Taiwanese banks are expected to encourage individuals and companies to take out loans by lowering its interest rates.

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## THAILAND UPDATE

### THAILAND: THE GUIDE TO DOING BUSINESS IN THAILAND

Michael is a Friend of Jack and GCSL, exceptional lawyer (yes, he is the second one to be born in Arkansas...can you name the other?), able to speak, read and write Thai (no easy task), partner of the prestigious Thailand law firm of Seri Manop & Doyle ([www.serimanop.com](http://www.serimanop.com)) and great all around guy who has lived in Thailand for more than ten years and has learned how to get things done the legal and practical way in the Land of Smiles. His book entitled Doyle's Practical Guide to Thailand Business Law has won rave reviews from many a CEO of large multinationals and small businesses alike. Below, we provide an excerpt of his chapter on What Legal Advantages are Available to US Investors Under the Treaty of Amity? If you would like to purchase the book, communicate with Michael about doing business in Thailand or just listen to Michael's yarns about his interesting life in Thailand over the last decade, please contact him at [michael@serimanop.com](mailto:michael@serimanop.com).

**The Treaty of Amity and Economic Relations between Thailand and the US ("Treaty") grants qualifying US companies operating in Thailand "National Treatment." National Treatment means that subject to six specific exceptions stated in the Treaty (see Section 3), qualifying US companies are afforded the same rights and legal flexibility normally reserved only for Thai-held companies. This is a significant and unique right available to qualifying US companies only. A qualifying US company is a company registered in the US doing business in Thailand or a US majority owned company registered in Thailand (see Section 2).**



## OFFSHORE UPDATE

### ANGUILLA: A CREDIBLE ASSET PROTECTION JURISDICTION

Anguilla has allocated substantial resources into developing the offshore financial sector, which is small, but growing. To that end, Anguilla joined the family of offshore jurisdictions offering asset protection trust legislation in 1994 with the enactment of Trusts Ordinance which was later slightly amended and renamed the Trusts Act in 2000. The overall objective of the Act is to provide settlors with peace of mind that the legislation, coupled with a strong regulator, competent judiciary and well-skilled local professionals, will protect their assets that have been legally settled on trust with a licensed Anguilla trustee. The drafters of the legislation focused on balancing the legitimate objectives of settlors with the ever-increasing importance of maintaining a high degree of credibility for the jurisdiction in the minds of the international community. The Act includes a host of time-honored aspects of trust legislation as well as provisions that enhance asset protection including the following:

1. **Certainty:** Sections 2(5) and 6(1), with limited exceptions, such as purporting to do anything contrary to the law of Anguilla or the trust being established by duress or fraud, state a trust settled under the law of Anguilla shall be valid and enforceable and stand against attack. Anguilla has no income or corporate tax thus tax evasion cannot be a crime under Anguillian law per se. Having said that, Anguilla does not encourage such conduct. It is only by treaty agreement with another country that Anguilla would enforce foreign tax judgments and the tax laws of foreign countries. To date Anguilla has only entered one Mutual Legal Assistance Treaty with the UK which has been extended to the USA and which applies only where a person has not paid tax on illegal earnings where the person has been convicted of an offence but which earnings the person has not declared.
2. **Claims expressly excluded:** Section 6(7) expressly excludes claims related to divorce, forced heirship, insolvency and the imposition of foreign tax being brought against a trust settled under the law of Anguilla.
3. **Protector:** Section 15 provides for the appointment of a protector, delineates certain powers of a protector and expressly states

a protector "...shall not be accounted or regarded as a trustee", which may prove useful if a plaintiff seeks to compel a protector to assume the powers of a trustee.

4. **Exclusion of foreign law:** Section 61 expressly excludes the application of foreign laws to a trust governed by the law of Anguilla or a disposition to such a trust. In addition, the capacity of a settlor of a trust governed by the law of Anguilla cannot be questioned because the law of a foreign jurisdiction prohibits or does not recognize the concept of a trust. Finally, the capacity of a settlor of a trust governed by the law of Anguilla cannot be questioned because the trust or disposition defeats the rights/claims conferred upon a person by foreign law due to his relationship with the settlor or contravenes any rule or judicial/administrative order intended to give effect to such rights/claims.
5. **Fraudulent dispositions:** Section 3 of the Fraudulent Dispositions Act 1994 makes it clear that any disposition of property with intent to defraud a creditor and at an undervalue shall be voidable upon an action by a creditor prejudiced by the disposition. "Undervalue" is defined as either (a) no consideration for the disposition or (b) consideration is considerably less than the market value. The burden of proof is on the creditor and the creditor has 3 years from the date of the relevant disposition to commence an action. Other sections of the Act provide safeguards for settlors and beneficiaries in relation to the setting aside of a disposition. In order for the creditor to prove his claim, he must show that not only was the disposition effected with intent to defraud a creditor, but that the disposition was at an "undervalue". It is clear that if the trust is properly settled and there is no disposition at an "undervalue", then the fact that it may have been made with an intent to defraud the creditor is insufficient for the creditor to successfully bring a claim.
6. **Confidential relationships:** Section 4 of the Confidential Relationships Ordinance 1981 makes it an offence for any person in possession of confidential information, however obtained, to threaten or attempt to or divulges such information to anyone who is not entitled to it. It is also an offence to obtain or attempt to obtain information to which he is not entitled. However, the Ordinance does not apply to professional persons acting in the normal course of their business or professional practice or with the consent of the person who gave the information. The Ordinance would not specifically apply to a director of a trust company since such a director would easily fall within the definition of professional person.
7. **Exemption from taxes:** Section 67 expressly states that a trust settled under the law of Anguilla shall be exempt from taxes assuming the settlor and none of the beneficiaries are resident in Anguilla and the trust property does not include, directly or indirectly any land situated in Anguilla.

Anguilla's decision to impose a statute of limitations on fraudulent dispositions (also known as fraudulent conveyances) reflects the jurisdiction's wish to balance the interests of settlors with that of seeking to avoid being tagged as a jurisdiction encouraging fraud.

It is clear that Anguilla's legislation, coupled with a strong regulator, competent judiciary and well-skilled local professionals, is worthy of note for settlors and their advisors when seeking to prepare and implement an offshore asset protection strategy.

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## **BELIZE: STICKING WITH WHAT WORKS!**

In these days of increased disclosure and abridged personal freedom, there is nothing in one's life that is sacrosanct anymore. This has certainly extended to the area of one's finances, and the provision of information for the access to, and maintenance of, such services. A case on point is the BVI. In that almost legendary jurisdiction in the world of offshore services, there is now legislation requiring the registered agent to obtain and hold in the BVI information regarding directors.

This to some people defeats the purpose of having the IBC, as the client does not know the registered agent having dealt with a trusted intermediary.

I wish to invite you to the beautiful jurisdiction of Belize, where the original concept of the IBC still reigns supreme. You get the benefit of a legally registered entity in a globally recognized jurisdiction, just the way it is supposed to be. You get to have a structure that can be used to open bank accounts anywhere in the world, just the way it is supposed to be. You have the benefit of enjoying exemption from Belizean taxation, just the way it is supposed to be. You get an inexpensive entity (USD100 government fee), just the way it is supposed to be. And finally, you get the benefit of non-disclosure of directors, just the way it is supposed to be.

No wonder Belize has quietly amassed approximately 60,000 IBCs in the time it has participated in the offshore industry. Belize recognizes the great simplicity of the IBC which we have in the Jewel of the Caribbean . Why mess with something good that gets the job done?

If you're not into IBCs, but you have funds that may at some point become the subject of litigation (especially from someone who "accidentally" slips on your non-slip ceramic tiles in your front yard and then wants to claim 70% of your modest but ample estate for his medical expenses!!!), the time may come to contemplate the use of a Belize Trust to protect that money or intended trust property. Sovereignty, the express exclusion of the Statute of Elizabeth, and also the express exclusion of the application of reciprocal judgments all form part of the layers or forms of protection that a Trust settled under the laws of Belize offer to the Settlor and Beneficiary.

"Stick with what works" is the mantra of the powers that be in Belize. It works, my friend, so come on down and enjoy good things with us.

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## TIDBITS

The things that make us smile, frown and generally make life interesting...

### OUR MONTHLY QUOTE THAT MADE US SMILE

"What gets us into trouble is not what we don't know. It is what we know for sure that just ain't so." Mark Twain

### LADIES' TENNIS...YIPPEEEEE!!!

We loved the USA Open. Sharapova in Audrey Hepburn-inspired, all-black sequined outfit and Serena Williams rippling out of her Asian-influenced, two sizes too small outfit. Yeah baby...and they hit the ball also 😊

### KID GOT GAME

We recently read about a seventh grade USA student who sued his school to allow him to continue wearing a t-shirt that was far from flattering (or fair, depending on your read of history) to George W. The kid won on appeal. Regardless of whether or not we agree with his politics, good on him...kid got game!!!

### THE HUSTLE BEGINS AGAIN...

We read with disturbing memories of the "dotbomb" days about a large Aussie firm acquiring some China real estate and home improvement site. USD254 million for 51% of, well, a company that will give the Aussie hopefuls USD14 million payback in year one. There ya go, give it another 18 YEARS to get back your investment. Nah, let's say the annual return doubles...only 9 years. We have some great beachfront property on The Peak in Hong Kong for which we will take a paltry few million USD...please call...or just send the banker's draft, no cheques, please!

### HAPPY STORY 😊

We were pleased to read about the young 'uns from the USA visiting China to study Mandarin, living with Chinese families and no doubt improving MickeyD's bottom line with french fry raids once a week. No, seriously, we think it is great. A bunch of liliputian Yanks learning that Chinese are real people, dream and work hard for better lives and think Angela Jolie is PHAT. And more liliputian Chinese learning that not all Yanks like George W, math is not necessarily a Chinese-only subject and Mr. Li is a respected 100 meter hurdler. Title of the article: "Power of love conquers all". Perhaps not just a title...certainly a happy story!

### THE CITY EVERYONE WANTS TO VISIT, BUT IN WHICH NO ONE WANTS TO LIVE

We remain dumbfounded that 18 million tourists visit a city the population of which has reduced by 1/2 in 40 years to 62,000 brave, sea-faring souls. Nope, not the rising tide shoving 'em off to other destinations. It is the rising cost of living where the quaint Venetian family-owned bakery gives way to luxury shops. One local said "we can't charge an entry fee as we are not a theme park"...hmmmm, maybe that fella should think again...just ask the shopping ? of our family 😊

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