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



JACK'S CORNER

"Pet Peeve" of the month...remains postponed for the holiday season. I am, yet again, in a reflective mood. For those of you seeking to read more about the issues I have with the offshore industry, fear not, my aggressive pencil is being sharpened!!!

'Tis the Season: As I have done for all my 44 years, I spent the holidays with my family in the USA. The "Annual Pilgrimage" to see Mom, Grandma, two sisters, one brother and five nieces and nephews was complete with the usual heartburn, aggravation, craziness and love that only family can provide and that which is fundamental to a happy holiday season. Did I really write that ??? The real thing I love about Christmas is seeing the faces of my nieces and nephews as they battle to be the next lucky one to rip open another wrapping paper clad box. Regardless of this, last or next year, it will pretty much be the same. Craig with his "cool" sports jersey; Jennifer with an all-the-rage doll that is "almost as beautiful as me"; Dominic with a science kit that allows him to explore the secrets of the universe and say "wow, see how cool this is"; Ashley with more paid-for downloads of that "not for old people like you, Uncle Jack" loud, indecipherable music for her iPod; and Brandon with another DVD game at which he will soon excel and then say "do you want to lose again, Dad". Yes, the genuine smiles that the young give to the world. I love it all. I love Disney for the same smiles I see on the kids' faces as they approach Mickey. I love my Mom because she never stops smiling and loving everyone in her family when we often do not deserve the same. I love my Grandma who, at 92, has one of the brightest smiles I have ever seen and is full of life more than anyone I know. I love my staff who made GCSL a success in its first six months and will no doubt help GCSL to achieve even greater things. I love all my relatives and friends of whom I never see enough, but when I do, I smile. I love Marina's family because they continue to smile and treat me well despite the fact I am, admittedly, unworthy of their exceptional daughter. Marina just makes me smile. And then I thought that 2007 and subsequent years will be the year and years of smiles for Jack. Yes, all my friends, staff and family and all that good, bad, funny, sad and other stuff that makes up the human experience will forever be the foundation of my smile. If you do anything in 2007, please join me in smiling, which is priced just right, is infectious in a good way, often leads to laughter and, quite simply in its own little way, makes the world a better place. Thanks, kids, you made me remember, once again, to smile 😊

Onwards and upwards...



GCSL NEWS

GCSL SAMOA CELEBRATES IN STYLE

This month saw the official opening of our office in Samoa. The function was attended by the Minister of Finance, Hon. Niko Lee Hang as well as Alosamoa Erna Vaai, the Chief Executive Officer of the Samoa International Financial Authority. Also in attendance was our very own GCSL Group Director, Marina Shadikhan, who made a flying visit from Hong Kong to attend the official opening as well as meet our staff in both the Cook Islands and Samoa.

The function was kicked off by GCSL Samoa Managing Director, Puai Wichman, having arrived that morning with Marina from festivities the previous day in the Cook Islands. Although he arrived with his luggage still in New Zealand, Puai was able to buy a new set of clothes before impressing the locals by opening his speech in Samoan (having spent a good hour learning how to pronounce the vowels properly!!). He also took the opportunity to express the wish of the GCSL Group to grow business in Samoa by actively promoting the jurisdiction. The Hon. Niko Lee Hang in his address replied that he was very pleased to have GCSL in Samoa and looked forward to a fruitful and mutually beneficial relationship with GCSL. The Minister's speech confirmed the commitment of Government in Samoa to the growth of the jurisdiction. His speech also illustrated Samoa as a forward thinking offshore financial services centre, where government is prepared to back marketing initiatives which firmly places Samoa as a serious player in the competitive IBC market. The evening rounded off with a lot of wine being consumed and good food for all. The GCSL team (now referred to locally as the "Global Girls") ended the evening at a well known night spot, and continued the party into the wee small hours.

Unfortunately, Marina had to leave on the 2am flight the next morning, and did not have the opportunity to explore the beautiful Island of Samoa. Likewise, she did not see much of the Cook Islands which she visited prior to Samoa. However, while in the Cook Islands, she did take the opportunity to meet with the Commissioner of the Financial Supervisory Commission, before taking staff to a Christmas lunch at Trader Jacks on the seafront. She also managed to surprise Chinese workers on a neighboring construction site when she asked in perfect Mandarin for them to hurry up with the reconnection of water to our office (which had been turned off due to their construction work). Those Chinese workers certainly did not expect to hear Mandarin being spoken in the Cook Islands, but it was all part of a normal day at GCSL!

December 2006 was certainly a busy month for Marina and the GCSL team in the dual jurisdictions of the South Pacific; Samoa and the Cook Islands. GCSL in the South Pacific provide complimentary services, with Samoa providing very competitive IBCs and the Cook Islands providing asset protection services. There is more to it than that, but look out for future newsletters from the South Pacific as we tell all. One thing is for sure however, we have in both offices, fine examples of Polynesian women; – smart, beautiful, and never shy to work hard!

All in all, the two jurisdictions from the South Pacific are bracing themselves for a gigantic leap forward in 2007. Kia manuia from the GCSL team in Samoa and the Cook Islands.



AOA WWW SITE

The Asia Offshore Association is back online with a new look, new functionality, new Executive Committee and a new Global Advisory Board. The new Members Only section will be sure to please as it will include articles, country updates and more for our loyal members. Please visit www.asiaoffshore.org for a browse!!! And smile as you no doubt conclude that "Jack's secret weapon" (aka Marina) is the true brains and heart behind the AOA and its new WWW site!!!

AOA SINGAPORE, MARCH 25 – 27, 2007

The Asia Offshore Association is gearing up again for a most excellent event at The Mandarin Oriental (www.mandarinoriental.com/singapore/) in Singapore from March 25 to 27, 2007. We are especially honored to have Mr. Maarten Ellis, Secretary General of the International Fiscal Association (www.ifa.nl), as our Keynote Speaker. Of equal importance, the good people at Barclays Wealth (www.barclays.com) have kindly agreed to be our Chief Sponsor. We also will have locally based professionals discussing Singapore topics and Jeremy Arnold (Barclays), Stephen Gray (Shutts & Bowen) and Joseph Field (Withers), three leading international tax and business lawyers, discussing international matters...and some equally excellent professionals from various parts of the world!!! The AOA Executive Committee has come up with a special Singapore theme for our opening cocktail and the other evening events are sure to please. Please visit www.asiaoffshore.org to learn more about AOA Singapore – The Lion City Roars!!!

ANGUILLA – NOT JUST AN UP ‘N COMING OFFSHORE JURISDICTION

GCSL Anguilla's Managing Director, Carlyle Rogers, was more than pleased to let us know that the recently launched St. Regis Temenos Villas have been selling like hotcakes to the bonus-laden Wall Street fat cats at between USD1.5 and USD12 million a pop. The question is did they choose Anguilla because of the bluest of blue water, whitest of white sand, possibility of bumping into Angelina Jolie, Mariah Carey or Celine Dion, the new Greg Norman designed golf course or offshore solutions for themselves or their clients? Carlyle is ready, willing and able...for it all 😊



EUROPE UPDATE

Taxation of outbound dividends: EC requests to end discriminatory treatments

Belgium, Spain, Italy, Luxembourg, the Netherlands and Portugal have been sent by the European Commission a formal request to amend their tax legislation which applies to outbound dividend payments to companies. In fact, in these six Member States dividend payments to foreign companies are taxed more heavily than dividend payments to domestic ones. According to European Commission these rules are contrary to the EC Treaty and the EEA Agreement since they constitute a restriction to the free movement of capital as well as the freedom of establishment.

All six Member States tax outbound dividends more heavily than domestic dividends. Their national rules provide for no or only very low taxation on domestic dividends whereas outbound dividends are subject to withholding taxes ranging from 5 to 25 per cent.

As regards Belgium, Spain, Italy, the Netherlands and Portugal, the discrimination concerns outbound dividends paid to member states and to the three EFTA countries which are parties to the EEA. In the case of Luxembourg the discrimination only concerns these last three countries.

The request has been made by the European Commission in the form of a 'reasoned opinion' under Art. 226 of the EC Treaty. As a result, the Commission may refer the matter to the European Court of Justice in the event that a Member State has not replied satisfactorily to the reasoned opinion.

With regard to taxation of outbound dividends, the European Commission had already referred Italy and Luxembourg to the European Court of Justice for failure to adopt and notify the measures required for the implementation of Directive 2003/123/EC, amending the Parent–Subsidiary Directive despite the Commission's formal requests of 5 July 2005.

The scope of Directive 2003/123/EC is to broaden the scope and improve the operation of the Parent–Subsidiary Directive (Council Directive 90/435/EEC) that exempts from withholding tax dividends paid by a subsidiary located in one Member State to its parent company located in another Member State. The list of companies covered by the 1990 Directive is updated, the condition for exempting dividends from withholding tax is relaxed by reducing the participation threshold that establishes a parent–subsidiary relationship and double taxation for subsidiaries of subsidiary companies is eliminated.

*Contributed by Dr Cristiano Medori, Director of Taxation, Intrust Limited
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HONG KONG UPDATE

HONG KONG IPO MARKET NUMBER 2 IN 2006

The World Federation of Exchanges, which fancies itself to be the trade organization for regulated securities and derivatives markets, settlement institutions and clearing houses (<http://www.world-exchanges.org/WFE/home.Asp?nav=ie>), confirmed that Hong Kong (approximately USD39.57 billion) had eclipsed New York Stock Exchange (USD33.61 billion) as the second largest IPO market in 2006 after London (approximately USD48.92 billion). Although a most excellent 2006, one should remember that USD21.9 billion of Hong Kong's numbers came from one listing – the mainland's largest bank, ICBC.

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HONG KONG STOCK MARKET WELCOMES, YET AGAIN, CHINA STOCK MANIA – BUBBLE OR TREND?

In the last two trading days of 2006, China related stocks on the Hong Kong stock market hit record highs and both retail and institutional investors have had a bonanza of a year thanks to the perennial hype that is called "China stocks".

China related indices on HK stock market	Index level	YTD % change
Hong Kong – Hang Seng index	20001.91	+42%
Hong Kong – H share index	10363.28	+110 %
Hong Kong – HSCEI "red chip" share index	3351.80	+57%

Turning to local media, the euphoria cannot be more in-your-face. Headlines of a local tycoon boasting of a three year HK\$5 billion (approximately USD640 million) gain in his stock portfolio and local retail Christmas shopping deemed the "best in 20 years" shows that local investors are more keen to celebrate the fruits of speculation as well as the joys of the festive season.

Many punters will remember the peak in 1997, a time when China stocks were so over-specified that the term "Red-chips" (they were Chinese, newly listed and Red Hot) came to be. The classic book Extraordinary Popular Delusions and the Madness of Crowds by the Scottish economist Charles Mackay comes to mind as investment bubbles are often self repeating over history. As soon hysteria of "the next thing" gets out into the masses, and every newspaper is reporting it, guru is commenting on it and cab-driver is discussing it, these are classic signs of a peak in the bubble.

The red-chip bubble of 1997 did spectacularly burst as investors bailed from positions that were so over-hyped, over-bought and over-leveraged that once the realization set in, they dumped everything.

History is a great teacher. With stock markets at giddy highs again, the question is – Is this stock market bull run a Bubble or a Trend? From the mountains of media coverage on China economy and companies, there is no denying that China is in a mega-growth trend. But when every Tom, Dick and Chan is gambling their life savings into buying into this trend at any price, it becomes a Mania and then it becomes a Bubble.

Two things to remember - Charles Mackay's book and the IPO script (wallpaper) from the last Red-Chip mania in 1997 hanging on many a punter's wall. Caveat Emptor ("Buyer Beware").

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HONG KONG PASSES ON GST

During July 2006, Financial Secretary Henry Tang launched a nine month public consultative period to "broaden" the Hong Kong tax base, where one of the central options proposed was the introduction of a 5% Goods and Services Tax ("GST"). The GST was to be considered revenue neutral insofar that the HKD30 billion (USD3.86 billion) raised would be offset in areas of reduced taxation or increased expenditure.

The public consultation period concludes in March 2007 and many saw the introduction of GST as a fait accompli. However on the December 5, 2006, with some four months of the nine months consultation period remaining, it was announced that the Government no longer supported the introduction of GST. Tang simply stated that "It is clear from views collected that we have not been able to convince the majority to accept GST as the main option to address the (narrow) tax base problem".

The way that Hong Kong's salary tax base and allowances are structured, only a third of Hong Kong's working population of 3.4 million pay any salaries tax at all, with 17% of salaried households paying a disproportionate 80% of the total salary tax take. Far from being the "regressive" tax that opponents stated, ironically a GST would actually in raw dollars impact the wealthiest Hong Kong citizens the most, many of whom fall outside the salary tax net.

With the Chief Executive is up for re-election during 2007, the interest now is come March 2007, how all other proposals in this undefined ideal of "broadening" of Hong Kong's existing tax base are dealt with.

When there was a recorded HKD14 billion (USD1.8 billion) surplus for the 2006 fiscal year, it does make one wonder why the only question up for consultation is how to keep more money in the taxpayers pockets rather than new ways to take it out.

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MACAU UPDATE

MACAU'S GAMBLE

They call Macau "the Las Vegas of Asia" for a reason. Over the next three years, Macau will see US\$30 billion invested in the local gaming economy. That's on top of the billions already pumped into this tiny enclave of 500,000 people before the break up Stanley Ho's monopoly on the tables and machines.

Stanley Ho remains the leader in Macau, but Adelson (Sands Corp) and Wynn (Wynn Resorts) have their sights set on beating out Ho. They're both competing to achieve Macau's projected gaming earnings of US\$14 billion by 2010. It's fairly certain Macau will reach that lofty goal because Macau's earnings were approximately US\$4 billion through July 2006. That's only slightly lower than Las Vegas' profits for the same period.

The investments in hotels have been nothing short of extraordinary. Hotels are now expected to grow from 13,000 rooms to 30,000 by 2009. Mega-hotels such as the Venetian Macau and Star World Galaxy resort are set to open soon. The City of Dreams resort will feature a 400,000 square foot underwater-themed casino when it opens in 2008.

The spin-offs for the domestic residential property market are also evident right now. Recently buyers spent more than US\$400 million on presales of 600 uncompleted flats at Shun Tak Holdings' One Central Residences project in Macau. And they bought all 600 in less than one month! And it wasn't just individuals buying. Institutions made considerable investments, including a European insurance company and closed-end mutual fund listed on the Alternative Investment Market of the London Stock Exchange.

Aside from direct investment, investors are also looking to the Hong Kong stock exchange, the world's second largest IPO market in 2006, for indirect access to the opportunities of Macau, such as Shun Tak Holdings mentioned above.

Simply stated, Macau is likely to be one of the most exciting global "economic miracles" in the coming five to ten years!

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CHINA UPDATE

WTO COMPLIANCE – CHINA MOVES FORWARD

To comply with its WTO commitments, China is in the process of drafting its new tax bill to unify tax rates for foreign and domestic companies. It is anticipated that rates will increase for foreign companies and decrease for domestic companies. Whether or not tax breaks will continue to be extended to economic zones is still up in the air. The second reading of the bill will be in February 2007.... watch this space.

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ANTI-MONEY LAUNDERING – CHINA MOVES FORWARD...AGAIN

Based on China's money laundering and banking laws, the People's Bank of China issued decree no. 2 regarding "large and suspicious transaction reporting and managing rules" on November 14, 2006 with effective day of March 1, 2007. The rules will apply to financial institutions such as banks, corporate societies, insurance companies, asset management companies, trust companies, investment companies, brokerage houses, etc. The decree clearly states the above-mentioned institutions should report any of the following large transactions to the Money Laundering Counter-Unit of China:

1. Cash transactions in excess of US\$10,000
2. Wire transfers between the corporate bodies in excess of US\$200,000
3. Wire transfers between natural persons' banks in excess of US\$100,000
4. Foreign exchange transactions in excess of US\$10,000

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CHINA – MARKET OPENS ITS DOORS TO FOREIGN BANKS

This month marks a landmark in the liberalization of competition policy of foreign banks operating in China, the biggest untapped financial market in the world. Since China entered the WTO five years ago, the banking regulator – China Banking Regulatory Commission - has embarked upon a process of gradual opening up its USD4.14 trillion domestic banking market to foreign competition. As of Dec 11 2006, foreign banks that are fully licensed in China can operate in any of China's cities freely and can offer RMB deposits to both corporate and retail clients to both local (including residents) and foreigners. Prior to this, foreign banks such as Citibank, Standard Chartered and HSBC (is a Hong Kong managed bank but moved its HQ to London) were restricted geographically (could only operate in 25 major China cities), by product (could only offer foreign currency and certain restricted Yuan business) and by client type (foreign owned corporate business).

Not only are foreign banks expanding their branches throughout China, they are on a massive buying spree acquiring minority stakes of local banks. In 2005, HSBC paid USD1.8 billion for a 20% stake in the Bank of Communications and the Royal Bank of Scotland paid USD2.5 billion for a 10% stake in the Bank of China. Citibank is currently engaged in a USD3 billion bidding war with a French bank, Societe Generale, for a 85% stake in Guangdong Development Bank.

What does this mean for foreign businesses operating in China? A wider choice and broader network of foreign banks will ultimately give greater service for foreign businesses operating in China. Whereas banking was once restricted to the major cities, it will now open up in the minor cities. Imagine the sourcing buyer in YiWu, a major buyer sourcing center in the Zhejiang province of North East China. Before buyers would have to use the services of foreign banks in nearby cities of Shanghai or Ningbo, now foreign banks will be opening branches right in YiWu at the place where foreign buyers are actually doing business.

What does this mean for local Chinese corporates? As they have gotten wealthier from the last five years of export and domestic growth since China ascended to WTO status, their needs for corporate banking have gotten ever more sophisticated. Foreign banks can offer the more complex financial solutions for the growing Chinese corporate. Products such as syndicated loans, trade financing and foreign currency hedging are becoming more accessible to local businesses to maintain growth and their competitive edge.

What does this mean for China retail? China depositors have gone through a major transformation within the last decade. Moving from stashing money under the mattress to putting it into a old dilapidated savings bank (with no interest), China depositors now are exposed to commercial banking – Western style– with online banking, ATMs and instant credit. Will they use this prudently is another matter for debate!

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SINGAPORE UPDATE

SINGAPORE STEPS UP TO THE CHINA BANKING PLATE

Singapore banks are now rushing in to get a slice of China's retail banking market which was opened to foreigners in mid December. Already, three foreign banks have won regulatory approval to offer limited RMB services to Chinese residents, a day after Beijing opened its retail banking sector wider to fulfill its WTO obligations. HSBC, Standard Chartered and Citigroup together with Hong Kong counterparts Hang Seng Bank and Bank of East Asia said that the China Banking Regulatory Commission (CBRC) had approved their taking deposits from local residents for amounts of at least one million yuan before they had incorporated locally. (see above CHINA UPDATE - China Opens its Doors to Foreign Banks).

The three Singapore banks - DBS Bank, United Overseas Bank (UOB) and OCBC Bank - are also going for local incorporation and plan to open bank branches and take stakes in Chinese banks.

To date, DBS Bank has obtained approval for local incorporation of a subsidiary in China and also to offer high-value time deposits to local Chinese Residents. Both UOB and OCBC Bank say that they are making similar applications.

DBS has indicated they take a long-term view on China investments and will be active. With a new branch in Suzhou, sub-branch in Shanghai and representative office in Hangzhou, DBS is backing up its plans with real cash.

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THAILAND UPDATE

THAILAND'S 'PROPERTY' COUP

Despite the political coup in Thailand in September, many property analysts foresee foreign investment flowing back into the real estate market in 2007.

Thailand has for many years attracted strong investment into property from mainly foreigners living in Hong Kong, Singapore, and Australia. Many see Thailand as a second home and look to retire in the Kingdom. They want to take advantage of the low cost of living, great property values, great international schools, excellent shopping facilities, and some of the most modern and affordable health care facilities in the world. Thailand's central location in Asia also offers residents quick access to other countries in the region. There are daily flights to Europe and throughout Asia through low cost Asian airlines.

The three areas in Thailand that are expected to deliver the best gains and attract most foreign and local investors are Bangkok, Pattaya, and Krabi. Each offer some spectacular new projects and opportunities.

In Bangkok, the capital of Thailand, a number of the more promising condominium projects in the market are selling from THB85,000sqm to THB100,000sqm (approximately US\$2,400 to US\$2,700sqm). Once these are completed in 2 to 3 years, these properties could appreciate by 20% to 30%. That would represent an approximate 80% to 100% return on a buyer's 30% cash deposit.

You should also look to invest in the tourist belts of Pattaya and Krabi. Pattaya is a beach resort and satellite city located on the Eastern Sea Board. It's a one hour drive from central Bangkok and attracts over 10 million tourists a year. Investors need to be careful though what to buy as Pattaya offers many attractive projects, that will not deliver strong capital gains.

The second and possibly the fastest growing property opportunity is Krabi. This hot investment region is located approximately one hour flight from Bangkok's new international airport.

Both areas offer strong capital growth over the next few years ahead of Phuket and Koh Samui. These regions are probably over-supplied and unlikely to show attractive capital growth by comparison to Pattaya and Krabi.

Take your time and conduct due diligence on the directors of any development company you're considering investing in. Despite the project's glossy brochure, some directors have little or no real property development experience or insufficient bank finance to complete the project.

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OFFSHORE UPDATE

ANGUILLA: THE LIMITED LIABILITY COMPANY (“LLC”)

Anguilla enacted its LLC Act in 1994 and updated it in 2000. The Act is based on Wyoming’s legislation and combines the best in industry practice from an estate planning perspective. The Act allows for the LLC to be formed either when the articles of formation are lodged with the Registrar of Companies or, if at a later date, that date if it is included in the articles of formation.

Like all Anguilla entities, the LLC requires a local registered office and registered agent and must adhere to the usual statutory filings. It can conduct any type of business except that specifically prohibited by Act; such prohibitions are immaterial to those who would choose to form one.

Provision is made for the creation and issuance of an LLC agreement by the members that govern the internal workings of the LLC in the same manner as by-laws or articles do with regards to the IBC. Management of the LLC may be exercised by the members or managers and there can be a single member.

As its name implies, the LLC provides limited liability for both members and managers in each capacity in which they act on behalf of the LLC except where a distribution is involved in the context of bankruptcy. In addition, an interest in an LLC by a member is personal and no rights exist with regards to specific property of the LLC.

In the event that a creditor obtains a judgment, the Court may charge the economic interests of the member of the LLC with payment of the unsatisfied portion of the debt. The rights of the creditor are limited to those of an assignee.

Where a member of an LLC becomes incompetent, bankrupt or is deceased then his or her legal representative will have the necessary rights and powers over the member’s rights including the ability to become a member.

Anguilla LLCs are exempt from all forms of taxation. Provision is also made for the continuation of LLCs out of Anguilla and into IBCs and Anguilla domestic companies.

Provisions vis-a-vis winding up and dissolution, derivative actions, strike-off, applicable law and investigations which are applicable to IBCs and domestic companies are also applicable to LLCs thus ensuring that proper corporate governance provisions are provided for on a statutory basis.

The Anguilla LLC is therefore another tool which can be used in a client’s estate planning schemes and one which is cost effective, tax neutral (from a USA client’s perspective) and easy to maintain.

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BELIZE: LIMITED DURATION COMPANY – THE FINAL FRONTIER...OR NOT?

We all know that Belize is a jurisdiction which has slowly built up a reputation of offering solid legislation on trusts and IBCs, but does anyone know about the poor cousin – the limited duration company (“LDC”)? The LDC is governed by Sections 146 to 152 of the International Business Companies Act, Chapter 270 of the Substantive Laws of Belize, Revised Edition 2000. A LDC is essentially an IBC whose life, by virtue of a special resolution passed by the directors, has been limited to a period of no more than fifty (50) years. For it to qualify, not only must the special resolution authorise a change in the Memorandum of Association to limit the life of the company to a maximum 50 years, but it also must change the name of the company to include the words “Limited Duration Company” or “LDC” for short.

This means nothing, in and of itself, but the benefit that comes from the use of this type of IBC is found in Section 150 of the Act, which states, in relevant part, that the Articles of Association of the LDC can:

- (a) prohibit the transfer of any share or other interest of a member of the company absolutely, or may provide that the transfer of any share or other interest of a member requires either the unanimous resolution of all the members or a resolution passed by such proportion of the members as the articles of association may specify;
- (b) provide that a person ceases to be a member of the company upon the happening of any one or more of the events specified in the articles of association and may further provide that the rights of such former members shall be limited to an entitlement to receive such value for their shares in the company, as may be determined by the articles of association;
- (c) provide that the affairs of the company be managed by its members in their capacity as such, or by some person designated as manager with such rights, powers and duties as may be specified in the articles of association; and in such case the company shall be exempted from the requirement to have a Board of Directors under section 47 of this Act;
- (d) designate a person to be the liquidator of the company in the event of the company being in dissolution pursuant to section 150 and failing such designation, for the directors or manager to become the liquidator; and
- (e) provide for the authorised share capital of the company to be divided into various classes of shares carrying either limited or

unlimited liability.

What does this mean, exactly?

Subsection (a) speaks to the restriction on the sale of the shares of the companies, and is very clear in the restrictions on said sale, so that the ownership of the company, in an instance where there are multiple members, can be somewhat controlled, and a renegade member, for example, cannot introduce disharmony into a peaceful situation, as can happen from time to time.

Subsection (b) means that an event, or events, can be specified in the company Articles, and should any of these events take place, the member directly affected can have his or her membership automatically ended. It can be anything, from the invasion of a country in which the IBC might do business, to a divorce experienced by any such member. It could even be the birth of a baby girl or boy!

Subsection (c) obviates the need for a board of directors, as everything will be left in the hands of the members, should the articles so stipulate.

Subsections (d) and (e) allow for the manager to be liquidator and for the creation of different classes of shares, respectively. What advantage if any does this hold for the person thinking to make use of an LDC? This poor cousin can anticipate adverse situations peculiar to the nature of the business in which the company will be involved, and stipulate certain consequences flowing from the happening of such events, and membership can be restricted so as to retain control, even in the face of multiple ownership, and can allow for a different structure in the management of the company.

Is anyone out there interested in making this poor cousin multiply in abundance? We are here to help, if you so desire...You betta Belize it...

*Contributed by Carlo Mason, Managing Director, GCSL Belize
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TIDBITS

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

OUR MONTHLY QUOTE THAT MADE US SMILE

"Lost causes are the only ones worth fighting for." Clarence Darrow, arguably the greatest lawyer in USA history.

LIZARD NAPPIES...GOTTA LOVE 'EM 😊

We recently read about the brave security officers at Manila's airport whose quick eyes noticed something wiggling around in a passenger's bag, investigated and found dozens of lizards wearing diapers and sixty snakes in water bottles. Lizard Nappies!, a new Filipino invention...the country just continues to amaze...gotta love 'em 😊

DADDY WARBUCKS BEATS SANTA? BAH, HUMBUG...SANTA CLAUS IS THE REAL DEAL

We recently read that Daddy Warbucks, a military officer in the comic strip Little Orphan Annie, beat out Santa Claus as the richest fictional character with a net worth of US\$36.2 billion. Bah, humbug, Santa Claus is not fictional...just remember the smiling faces of those kids on Christmas Day and you will conclude, as we do, that Santa Claus is the real deal!!!

AH, TO BE SINGLE AGAIN...

We recently learned the new way for single men and women to meet the gal or guy (or guy or gal) of their dreams - spend countless hours and consume all sorts of different types of herbal teas (Zen is pretty good green stuff) at a Starbucks (www.starbucks.com) while typing away on a laptop. It works!!! We saw at least three new relationships budding each day during the holidays as we typed away... even when writing this tidbit. Don't tell SOMEONE (you know who), but we were even approached...ah, to be single again...and twenty because that gal would have been very disappointed with the current model 😞

GREEN PEA SODA...YUCKY-POOH...ONLY IN SEATTLE

We read with a slight belch of yucky-pooH tasting Green Pea after-taste of the continued strange flavored sodas launched by Jones Soda Co of Seattle, which fancies itself as a leading provider of alternative products in the beverage industry (www.jonessoda.com). Egg Nog, Candy Cane and Plum sodas top the list for the holiday season while Fish Taco, Salmon, Turkey and Gravy, Dinner Roll, Sweet Potato and Antacid Flavor round out some of the other liquid treats available from another loony-tune, but fun, company that can only be from Seattle. Yucky-pooH, give us the good ole paint-remover...aka Coca Cola!!!

YEAH BABY, WE LIKE THAT SORT OF RESEARCH

We recently read in an article posted above an urinal in one of Belize City's hotspots on the river about a study that concluded that the main ingredient in beer may help prevent prostate cancer. More importantly and to our liking, the research indicated one would have to drink 17

beers a day to obtain the medical impact of the study. Yeah, baby, we like that sort of research...we just wonder who sponsored the study... sort of like the French doctors who concluded red wine is good for? Hmmmm.....

HARRASSMENT OR INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS...ONLY IN THE USA 😞

We read while smiling – or were we laughing – about the Pennsylvania lady who forced her neighbors to rid themselves (and her) of a cat that preferred to relieve itself in the victim's flower garden. When the young son, emotional owner of the fussy feline, decided to meow at the victorious gardener, a complaint was filed in a district court seeking redress for harassment. Or was it intentional infliction of emotional distress? Does it matter? Are these people serious? Only in the USA 😞

HOOTERS...AN HONEST COMPANY THAT REALLY KNOWS WHAT IT IS SELLING!!!

We were browsing the Hooters WWW site (www.hooters.com) after reading that it now has 435 locations in 46 states and 20 countries and just had to smile at, arguably, one of the only honest companies in the USA. We love the Hooters' slogan – Delightfully Tacky Yet UnRefined. We love the fact they recognize and are not ashamed about what they are selling – it ain't the food folks...unless fried this or that washed down by beer aka colored water is your thing. As indicated on their WWW site, it is the “nearly World Famous Hooters Girl...the All-American Cheerleader / Surfer-Girl-Next-Door image...very bubbly, outgoing personalities.” And, of course, the Hooters... we, of course, visit virtually every Hooters we see as we appreciate honesty 😊

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