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JACK'S CORNER

SORRY, BUT WE WERE PRACTICING OUR BACKSTROKE
While we enjoyed the Hong Kong Sevens, a water pipe burst in yours truly's office and, voila, we arrived to a small lake in our office on Monday. We did our best to keep afloat on Monday, Tuesday and Wednesday. We hope your business did not suffer. Repairs are being handled by the Easter Bunny during the holiday and we should be as right as an Easter Egg by office opening on Wednesday the 7th. Many thanks for your patience!!!

ARGUABLY THE GREATEST SPORT IN THE WORLD...NO DOUBT THE GREATEST EVENT

In a prior life, I played sports virtually everyday of my life. Hard to imagine given my current elderly stature, but it is true. More to the point, I now really enjoy being a spectator as my Olympic aspirations long ago expired...yes, I am a has been who never was ☹

Of the eight Rugby 7s events played each year, Hong Kong is by far the wildest and craziest. Costumes ranging from full battle gear to virtually no clothing combine with oceans of alcohol, warehouses of food and good fun for all. This year, Hong Kong thrilled the home crowd with an inspired victory in the Shield competition. Despite being out of breath, GCSL cheered on Samoa to the Cup victory knowing the Global Gals at GCSL Samoa were screaming with us!

I remain exhausted...if there is a better event, I don't think I could survive it!

GCSL NEWS

STEP CARIBBEAN CONFERENCE MAY 2010

GCSL Anguilla is proud to sponsor and Jack Flader is pleased to speak at the Caribbean's premier trust and estate planning conference, STEP CC10. Over 200 top offshore professionals will gather in Barbados under the theme, Positioning for Recovery, to discuss how best to take advantage of the opportunities which the current economic climate presents. For more information and to register, click on <http://www.stepcaribbeanconference.com/>

DOYLE'S PRACTICAL GUIDE TO BUSINESS LAW IN EMERGING COUNTRIES IN ASIA

Our good friend, Mike Doyle has yet again put pen to paper producing Doyle's Practical Guide to Business Law in Emerging Countries in Asia. His publishers says it "...is the definitive and practical guide for business people and practitioners seeking to learn about the rules governing foreign investment in the world's most dynamic region."

We say Mike has put together another excellent guide for those seeking an overview of business and legal issues in Asia.

Tinkle Mike at michael@serimanop.com to buy a copy!

Go get'em Mike!!!

PUBLIC HOLIDAYS MAY 2010

ANGUILLA

3 May Labour Day

24 May Whit Monday

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31 May Anguilla Day

BELIZE

1 May Labour Day

24 May Commonwealth Day

HONG KONG

1 May Labour Day

21 May Lord Buddha's Birthday

SAMOA

3 May Mother's Day

SINGAPORE

1 May Labour Day

28 May Vesak Day

SHANGHAI

1 May Labour Day

AOA



BAI JIU, DUMPLINGS, GREAT SPEAKERS AND FUN "AMBASSADORS" RULED THE DAY IN BEIJING

Did we have a great time in Beijing? After a fun opening "Baptism by Fire" Chinese Banquet - Jack Style, we pretty much thought everyone would spend the next two days in bed staying warm and wondering what hit them! Well, we were fortunate to have great speakers such as Richard Duke, Nathan Kaiser, Rupert Hoogewerf, Hao Wang, Jon Eichelberger, Patrice Marceau, Henry Liao and Anuj Sharma to coax our weary bones back to the serious stuff. Thanks to all of them!!! Of equal importance, our "Ambassadors" from Care for Children proved to be two lively and intelligent individuals we are confident will do well in the future. Many thanks to all the delegates who braved the Beijing cold to join us!



Now, we are preparing for the AOA KUALA LUMPUR CONFERENCE from October 17-19, 2010 at The Mandarin Oriental. The subtle mix of modern and traditional is the defining allure of Kuala Lumpur or, as most people say, KL. One also will find a culinary extravaganza as Malay, Indian, Chinese, Middle Eastern and Western chefs ply their trade from the streets to the five star hotels. When one combines the Asia Offshore Association's track record of interesting, fun and informative conferences with KL's unique blend of past, present and future, the Asia Offshore Association KL Conference will be again a most excellent event!!!

GREATER CHINA UPDATE



THE PLASTIC DUCK JUNKIE...WHY CHINA BUYS USA DEBT

An interesting 3 minutes....

<http://www.brasschecktv.com/page/799.html>

CARS, CARS AND MORE CARS

We do not know about other places in the world, but check out some of the recent numbers for car sales in China!

- General Motors sold 230,048 vehicles in March 2010, which was a 67.9% year-on-year increase and 15th straight monthly sales record.
- Ford Motor sold 153,362 vehicles in 1Q10, which was a 84% increase over last year.

Recession? Hmm.....

Contributed by Johnson Chien, Managing Director, GCSL Shanghai.
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SINGAPORE UPDATE

OECD "BLACKLIST" AND SINGAPORE

Recently, it was reported that Singapore may have made it to the ranks of an OECD "hit list" of nations deemed non-cooperative tax centers. Swiss newspaper Tages Anzeiger had reported that Singapore was one of 46 countries and territories criticized by the Organization for Economic Cooperation and Development (OECD) for "insufficient progress" in meeting standards on tax cooperation and banking secrecy.

It was further reported that OECD chief Angel Gurría provided British Chancellor of the Exchequer Alistair Darling with such a list earlier this month with Switzerland, Costa Rica, Chile, Hong Kong, Panama, the Philippines, San Marino and host of Pacific and Caribbean islands included. The world's major industrialised nations - the Group of 20 - will examine a proposal to blacklist these countries at a meeting in London on April 2. Last week, French newspaper La Tribune also cited the list, saying it could be revised before the G-20 summit.

But an OECD spokesman denied last week that there was a new list of non-cooperative tax centers. In 2007, the OECD said that only three countries remained on its list of uncooperative tax havens: Andorra, Liechtenstein and Monaco. Even the Singapore Ministry of Finance (MOF) has no knowledge of this "new list" as yet.

However, financial experts in Singapore do not seem to be perturbed by this development. Private bankers and others in the financial sector dismiss the list - if it actually exists - as a largely academic exercise. They said that even if Singapore is on the list, it should not be worried. "Everyone's on the blacklist.... It would mean something only if Singapore is one of the very few to be on the list. That would be damaging from a reputation point of view," a senior private banker said.

Many bankers believe Singapore is not unlikely to be listed because the Government moved last week to endorse an OECD standard aimed at preventing international tax dodging would have enhanced Singapore's standing. It will implement the standard to assist only bona fide requests for information and not "information fishing" for no good reason, MOF said. The ministry said in a statement that it is signing up OECD Standard through Avoidance of Double Taxation Agreements, adding that the decision is in keeping with Singapore's role as a trusted center for finance and a responsible jurisdiction, with strong and consistent regulatory policies and a firm commitment to the rule of law.

"The Standard is consistent with Singapore's system of banking confidentiality, which does not shelter criminals," the MOF said.

Switzerland, Liechtenstein, Austria, Luxembourg, Andorra and Hong Kong have also announced similar moves.

Despite all this, it appears that Singapore will have plenty to gain. Singapore's intended endorsement of the OECD standard will not make the country a less attractive private banking center but will only make life difficult for tax evaders. Singapore will maintain herself as a clean jurisdiction with no compromise to banking secrecy. A distinct difference is made between banking secrecy and a criminal offence.

Singapore could even see a larger inflow of funds from places like Switzerland. While both Switzerland and Singapore have eased up on rules to cooperate on cases of international tax evasion, the Swiss face a more uphill battle.

Contributed by Lawrence Fong, Managing Director, GCSL Singapore
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INTERNATIONAL UPDATE

MALTA - HIGHLY REGULATED, TAX EFFICIENT AND WITHIN THE EUROPEAN UNION
As of May 2004, Malta is a member of the European Union. In the build up and follow up of such EU membership, Malta has updated its legislation in order to be highly regulated but at the same time retaining its favorable taxation and investor friendliness. Malta's rise as one of the newer financial

services centers is in part due to the benefits and flexibility offered in using Malta limited liability companies in international structures.

A limited liability company may be incorporated in Malta for the purpose of carrying on any activities in Malta or internationally, and whether such activities are of a 'trading' or 'holding' nature. Such limited liability companies can therefore trade in any sector and may hold assets whether tangible or intangible, and whether movable or immovable. Although all companies are subject to income tax at a flat rate of 35%, the combined overall Malta effective tax rate can however be lowered substantially either by virtue of the refundable tax credit or by application of the participation exemption.

A Malta company in receipt of income (dividend income) derived from a 'participating holding', or gains derived from the disposal of shares in such holding, may at its option elect to exempt such profits by applying the participation exemption. Such participation exemption can be applied where a Malta company, inter alia it holds at least 10% of the equity shares in a foreign entity or it has a minimum equity investment of Euro 1,164,000 which it holds for an uninterrupted period of 183 days, amongst other alternative conditions. Further conditions may need to be satisfied for dividend income derived from certain 'participating holding' to be exempt where the non-resident entity is not situated in the EU or if it is not subject to tax at a rate of at least 15%.

A shareholder (whether an individual or a corporate entity) in receipt of a dividend distributed by a company registered in Malta would not be liable to further tax on such dividend in Malta. Furthermore shareholders of a company registered in Malta may generally also be entitled to a refund of all or part of the tax paid on the profits out of which such dividend was distributed. Such refunds of tax have met the approval of the EU Commission and are applicable to all shareholders in Maltese companies regardless of their legal form, status, or tax residence.

A shareholder in receipt of a dividend paid out of taxable profits of a company registered in Malta (with the exemption of income derived directly or indirectly immovable property situated in Malta) would be entitled to claim a refund which would generally be of 6/7ths of the Malta tax suffered by the company on the said profits, although the amount of refund can be reduced on certain other conditions.

There is no withholding tax on dividends in Malta and therefore no further tax is payable on dividends irrespective of where the shareholder is tax resident and irrespective of whether the shareholder is an individual or a corporate entity. There is also no withholding tax on outbound interest or royalties from Malta with some exception.

Apart from general anti-abuse provisions, it should be noted that in Malta there are currently:

- no Controlled Foreign Companies (CFC) legislation,
- no Thin-capitalization rules,
- no Transfer Pricing legislation/guidelines,
- no Transfer taxes,
- no Capital duty.

Malta currently also had a treaty network of more than 50 treaties with most major countries including all EU Member States.

*Contributed by Christian Ellul, FIDES Corporate Services, Malta
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OFFSHORE UPDATE



ANGUILLA: 2009 IN REVIEW AND THE ROAD AHEAD

Like all growing international financial jurisdictions, 2009 was a tough year for Anguilla economically as the global financial crisis continued to take its toll. However, the offshore industry continued to weather the storms. In addition to the global financial downturn, the work of the international supranational bodies such as the OECD, G20, Caribbean Financial Action Task Force (FATF) and the Foot Report commissioned by the UK Government in London impacted the industry. To date, Anguilla has signed 4 of the required 12 Tax Information Exchange Agreements ("TIEAs") with the UK, The Netherlands, the Republic of Ireland and Denmark. Negotiations are continuing and in some cases have been finalized for the signing of the remaining TIEAs with Germany, Australia, Canada, New Zealand and the Nordic Alliance. The extended deadline is now March 2010 and Anguilla is confident that it will reach agreement on these by then. In 2009 also, Anguilla was assessed by the CFATF regarding its Anti-Money Laundering and Terrorist Financing (AML/CFT) regime and the findings will be published in due course. The Foot Report has elicited much discussion in the jurisdiction and a formal response from the two industry bodies, the Anguilla Financial Services Commission (AFSA) and the Anguilla branch of the Society of Trust and Estate Practitioners (STEP) was made publicly at the annual industry meeting between the Government of Anguilla, Financial Services Commission (FSC) and practitioners held in November. There will be increasing interface between the industry and government as the way forward to develop the sector becomes increasingly difficult as external forces impact it and conditions change.

Both the private sector and government continue to create the right environment for the conduct of international business through their marketing efforts, the development of institutional structures and the enactment of regulations and product offerings while ensuring that international standards are met and Anguilla is not blacklisted by any of the "watch-dog" bodies. Following on from the successful introduction of guidelines dealing with insurance companies in 2008, which covered areas such as the responsibilities of insurance managers, allowable assets and minimum margins of solvency, new licensing procedures which provided further regulatory clarity which were issued by the FSC, and the enactment of the Anguilla Foundation Act, further legislative enactments were made in 2009. Of particular note was the new Proceeds of Crime Act (POCA) which was enacted following extensive consultation with the Anguilla Bar Association, AFSA and civil society organizations. This legislation strengthened the fight against financial crime while seeking to strike the correct balance with civil liberty and privacy rights protections. In addition, under the POCA, a new AML/CFT Code was issued which strengthened the fight against these two illicit activities. A new AML/CFT issues guide for procedures manuals was also issued by the FSC to assist service providers in adapting their internal procedures manuals to reflect the new regime.

The government also enacted a Money Services Business Act (MSBA) to regulate the operations of the money transmission businesses such as Western Union and Money Gram as well as others which operate in Anguilla thus ensuring that these businesses are not used to engage in money laundering activities. The Payment Systems Act 2009 which provides for the settlement of cash and wire transactions through the platform of the Eastern Caribbean Central Bank (ECCB) was also enacted and compliments the MSBA. Plans are in the works to enact new legislation which will cover International Insurance, Domestic Insurance and Cooperative Societies which will strengthen the regulation of these areas in 2010 and beyond. The FSC has also been tasked through the recent legislative changes and enactments with responsibility for the regulation of designated "non-financial businesses and persons" and designated "not-for-profit" organizations.

From a governance perspective, the jurisdiction saw the appointment by the UK of a new governor who has overall responsibility for the financial services sector under the constitution of Anguilla and who is more actively involved in the entire regulatory regime. In addition, there will soon be changes in the leadership of the FSC since both the current Director and Chairman will demit office at the end of 2009 and early in 2010 respectively. The FSC, in line with recommendations made by external assessors and the international reviews, plans to strengthen its regulatory capacity by employing at least three new regulators in the short term and with a longer term goal of recruiting further examiners.

Overall, Anguilla continues to show small but steady growth in the industry. As of the 15th November 2009 there were 426 entities licensed by the FSC including mutual funds, fund administrators/managers, trust companies, registered agents etc. Of note is the fact that 5 years after the enactment of the Insurance Act 2004 which launched the jurisdiction as a captive domicile, Anguilla now has 200 captives which are small to medium sized insurance companies. This is indeed a significant achievement of which the jurisdiction is justly proud. In addition, after only just a few months, 8 foundations have been set up in the jurisdiction which has the potential to make Anguilla unique in being a jurisdiction that has the widest possible menu of product offerings of any jurisdiction.

The FSC continues to generate surplus revenue for institutional capacity building and development and the companies registry continues to show increasing revenues which will total over US\$2.5 million for the first time in 2009. Company incorporations continue to increase slightly and around 2500 companies are projected to be incorporated for the year. Although this number is small in comparison to other jurisdictions, this is an achievement for a jurisdiction which prides itself on quality business which is sustainable. The number of registered agents or company managers, as they are known in Anguilla, continues to increase and now total 70 while overseas agents which access the registry directly through the ACORN (Anguilla Companies Online Registration Network) system total around 115.

From a business development perspective, the Government of Anguilla has committed to upgrade the ACORN system which allows for 365 day a year, 24 hour a day company formation through an internet based interface which is connected directly to the companies registry. ACORN 2.0, as it is called, will be launched in 2010 and will result in greater efficiencies and capabilities and will bring the system up to date with 21st century technology and the latest features of an IT based program. This will keep Anguilla's company registration system as the most-advanced and faster in the world thus giving the jurisdiction a slight competitive advantage. In addition, after over ten years of discussions, Anguilla Finance, an industry marketing body will hopefully be finalized in 2010, for launch then or shortly thereafter. The proposal is for a body funded jointly by the industry and the Government of Anguilla to handle the marketing of the jurisdiction. Currently, this function is handled by the Registrar of Companies but in line with the development of the industry, this will be transferred to a dedicated marketing body, Anguilla Finance, which will focus solely on business development as is the case in other jurisdictions.

In 2010, in addition to the legislative programme mentioned earlier by the FSC and Government of Anguilla and the planned establishment of Anguilla Finance, plans are afoot to host a major road show to Shanghai, China as well as more actively promote the jurisdiction in Latin America and Europe. Together, this combination of legislative innovation and product development, along with a new and hopefully expansive marketing thrust, the goal of growing the jurisdiction will continue and be achieved

to a greater extent. All the stakeholders are committed to this and new opportunities of attracting quality business, despite the economic conditions, exist. The future for the jurisdiction is therefore bright and indeed, Anguilla is still, "better for business."

*Contributed by Carlyle Rogers, Managing Director, GCSL Anguilla
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BELIZE: TRIED, TRUE AND TESTED

While the Belize International Financial Services Commission and the Belize Offshore Practitioners Association have pushed for and organized more product offerings for the offshore industry of Belize, it is safe to say that the bread and butter of Belize has been International Business Companies (IBCs) and trusts, and trust related services. This is the original product offering, from the industry's inception. I will start with the bread.

IBCs: From 1990 the provision of these services have been offered. There are varied prices for the offering of the registered office and registered address services, but the government fee remains as low as it has always been since its inception: US\$100.00. Belize has many service providers, and you can always strike a deal somewhere. Naturally, I am biased, but I submit that you will get one of the best deals in town right here with us. We also offer favorable pricing on volume sales, as much of our focus is on providing for Professional Intermediaries, although individual customers with us can be assured of a high quality service. If there is the desire to enter into a transaction with us for the volume sales, for the first time or even to switch from your current agent, come and speak with us. We would love to do business with you. That is only the bread, but now to deal with the rich, creamy butter. Belize is rapidly approaching 100,000 registered IBCs.

International Trusts: It is in this product offering, as you realize I like to call it, that there has been much activity these days. There is increased activity on the part of various governments to be proactively intrusive into the financial affairs of their subjects, for the purposes of tax assessment, collection and income reporting, There is a greater litigious spirit on the part of our neighbors (whom Lord Atkin describes as ANYONE directly or indirectly affected by our actions to justify reasonable contemplation by us of the impact of our actions upon them), and the seemingly general mistrust of spouses in our divorce-laden societies globally. All these factors, as well as other various reasons and various circumstances, cause people to look for secure forms of asset protection.

International trusts, as they are now termed, provide an excellent opportunity for persons with even a modest portion of disposable income to avail themselves of the protection for which Belizean Offshore Trusts have now become famous. There is no statute of limitations, allowing for immediate settlement of the trust once the trust property passes from the hands of the Settlor into the hands of the Trustee. There are statutory exclusions for certain causes of action, such as those based on marriage or termination of marriage, or succession (testate or intestate), or even creditors' claims upon an insolvency. Lastly, there is no recognition or enforcement of foreign judgments in relation to International Trusts, so there is no need to worry about a government coming to Belize, merely armed with a judgment signed by a judge from their own jurisdiction, seeking to enforce it. The claimant will have to commence its action afresh, right here in Belize, presenting the case, as they would have in their native courts, but in the Supreme Court of Belize. It would prove to most to be a monumentally expensive ordeal. Although information is not publicly available on the number of registered trusts, it is believed the number is more than 1,000, but less than 2,000.

If you ever want to discuss the merits or applicability of any of these or other available structures, please always feel free to call or email me. I will be happy to discuss them with you, of course, with a view to getting you to make use of them. Until the coming month...keep safe.

*Contributed by Carlo Mason, Managing Director, GCSL Belize
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COOK ISLANDS: JOB OPPORTUNITY

An opportunity in paradise, but we don't know how much it pays...it looks nice enough that money should not be a deciding factor!!!

Wanted: Park Rangers

Where: Suvarrow Island, Cook Islands



Status: World Heritage Park

Human population: Dependant on visiting yachts, otherwise just the Ranger, wife and family.

Populated by: Thousands of sea birds, coconut crabs, and everything else you would find in a tropical ocean.

Tenure: The successful applicants will reside on Suvarrow from May to October - a tentative arrangement that depends on shipping schedules to the Northern Cook Islands. Must be prepared for longer stays of up to 12 months.

Qualifications: Must have a genuine desire to protect and conserve the unique environment of Suvarrow. Must be willing and able to live on an isolated Island with limited contact with the outside world other than visiting yachties, and the odd ship that comes by.

Job Description: The Park Ranger and assistant are expected to enforce the Environment Act of the Cook Islands and the Suvarrow Park Rules, which are designed to protect the island environment. The successful applicants will also be expected to meet and greet visitors to the island and to make claim to any and all treasures that are discovered by visiting treasure hunters.

History: Discovered by Russian explorer Mikhail Lazarev which he named after his ship Suvarov. Over time various treasures have been dug up including a chest containing USD15, 000 in 1855. There are also reports of gold coins being found that relate back to a wrecked Spanish Galleon in 1742. In the 1920s the Island was run as a copra estate. During World War II, New Zealand coast watchers were stationed there.

At various times from 1952 onward, New Zealander Tom Neale lived alone on Suvarrow and wrote a book about his experiences titled - An Island to oneself. Tom never found the buried treasure he was looking for and in 1977 died of cancer.

*Contributed by Puai Wichman, Managing Director, GCSL Cook Islands
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SAMOA: 7s - SAMOA STYLE

Wow, the Manu Samoa 7's team got us on the edge of our seats and what a well deserved win, especially against New Zealand! It was a late game for us in the Islands, with coverage televised close to midnight local time where one could hear the roars coming from the neighbors' houses. For those of you fortunate enough to watch the Finals in Hong Kong, we were thinking of how nice it would have been to be there. Before the send-off however, GCSL were fortunate to have met the team for a special farewell lunch hosted by the Minister of Finance and the Board of the Samoa International Finance Authority (SIFA).



Attended were representatives from the various Trustee Agents. We wish the team continued success with the rest of the IRB series in London and Scotland. Go the Manu!

*Contributed by Laura Fepuleai, Manager, GCSL Samoa
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TIDBITS



OUR MONTHLY QUOTE THAT MADE US SMILE

Bear wasn't the kind of dog who (sic) sniffed out your lousy mood and shared it; he was the kind of dog who ignored your lousy mood until you surrendered to join his, which was uniformly and consistently terrific.

Dead Ringer by Lisa Scottoline. The reason we like dogs :-)

SORRY LADIES, BUT WE HOPE YOU NEVER GET PAID

If we are offered videos like these, then, well, yeah baby, we encourage non-payment of wages!!!

<http://www.reuters.com/article/video/idUSTRE62U50F20100401?videoId=65892975>

ASSAULT

We recently read about a woman in jail for public intoxication, who was subsequently accused of assaulting a police women by squirting breast milk at her. Yes, you read correctly. How does that work?

We tried all last week without success...probably a gender thing 😊

EXCUSE?

We recently heard of a study that states the obvious - male and female brains have profound differences.

The area of most interest is that men have a sexual pursuit area that is 2.5 times larger than the one in the female brain. "Gee, honey, I can't be held responsible for sleeping with all your girlfriends as the sexual pursuit area in my brain is 2.5 times larger than yours." The response from "honey" has been deleted given this is a family oriented newsletter!

POOR CEOs

We recently read about the poor CEOs who collected less pay in 2009 suffering with a median value of salaries, bonuses, long-term incentives, and grants of stock and stock options of a paltry US\$6.95 million. Please join us in shedding a tear...NOT!!!

UNIVERSAL COVERAGE?

We smiled when reading about the campaign by Dutch nurses that objects to claims by male patients that sexual services should be part of their standard care. Funny that, the Yanks seemed to miss that bit in their most recent universal coverage law....or was that not an oversight and the fellas will be making their claims...the mind wanders...