



Dear Reader,



This current Newsletter is in the newly designed format which was well received by our readership.

The situation in the financial services sector worldwide is undergoing continual change and we are determined that our business partners and associates are well informed of the new innovative solutions we can now offer hand in hand with our traditional business.

Our Newsletter is available in pdf format and of course this together with further information is available on our website www.jeeves-group.com – you are only a click away from further sources of information. Our Chairman's editorial indicates the way forward.

Yours sincerely,

Alex Jeeves
Managing Director
Jeeves Group

Liechtenstein

Since the announcement of the intent of a Liechtenstein Declaration August 2008 on the occasion of the Hereditary Prince's speech on the National Day enormous strides have been undertaken to move forward.

St. Kitts – Nevis

Increasingly residents of insecure regimes are seeking new countries to secure their asset protection and fortunes by a new residency. St. Kitts – Nevis has alternative answers.

St. Vincent & Grenadines

Legislation amendments are being passed in St. Vincent & the Grenadines to respond to competitive challenges

Singapore

Good progress is being achieved with our Singapore offices. Fully staffed and compliant with the regulations to apply for a full licence, our client data base continues healthy growth, with increasing excellent contacts with local and regional intermediaries.

Tax Compliant Solutions

The increased and inevitable transparency in fiscal affairs requires new solutions. The Jeeves Group can respond to multilateral requirements.

Financial Services Centres – Present Situation?

Since our last Newsletter most jurisdictions have moved forward to be removed from the “Grey List” imposed by the OECD during April 2009. In particular Liechtenstein, St. Vincent & the Grenadines, St. Kitts – Nevis, Singapore and Hong Kong where we are very active are now white listed respectively were in some cases not listed at all.



The next step for the OECD, which some are comparing with the medieval inquisition and witch hunts by the large countries against the small, will be the OECD Peer Review process, whereby countries will be assessed to see if they have in fact implemented the legal and regulatory framework for

the exchange of information. Providing the nations involved apply the same diligent approach to the implementation laws and or regulations required progress will be predictable.

When one considers that more than 20% of the UN members i.e. the 44 countries originally black listed by the OECD, are regularly bullied by the larger states, which preach drinking water and drink wine themselves, one wonders why the smaller nations do not cooperate more closely. During a recent UN Session the SVG Ambassador C. Gonsalves courageously pointed this discrimination out to the General Assembly. The Sovereign Prince of Liechtenstein, HSH Hans Adam II, raised the same subject of small states cooperating in a speech to the UN Assembly over a decade ago. There are crass examples of the level playing field (a catchword initiated by the FATF) still being uneven. The US has within its borders Delaware, considered by professionals to be the most lax jurisdiction – tax haven worldwide. The UK insisted in its TIEA with Liechtenstein that Liechtenstein banks must close all non-compliant accounts for UK resident tax subjects by 2015. One can imagine the response they would receive if they told the City of London that UK banks and financial

institutions may only accept funds from clients where proof is to hand that all deposits are indeed taxed funds! Two very fine examples of “do what we say and not what we do”. Many OECD members have advantageous regulation in various areas to promote their national interests. The UK has special tax rates for non-domiciled persons, low tax agency agreements that apply to UK registered companies not doing business in the UK etc.

Nevertheless smaller countries will have to watch very closely future developments. In the latest round of G20 meetings renowned economies such as Switzerland, Singapore, Austria and Belgium were not spared the rod.

In the UK the unbalanced extradition agreement with the US continues to attract great criticism but no action. UK Ministers were told six years ago that the extradition treaty with the US was one-sided and unfair. The deal was created to prevent terrorism suspects dragging cases out for years, but as the Daily Telegraph recently disclosed, only one such suspect has been extradited since the 9/11 attacks. However, some other 56 persons have been extradited, mostly businessmen on matters that should have been tried in the UK. US lawyers only need to demonstrate “reasonable suspicion” for a warrant to be granted. There is no reciprocal agreement, which is a scandal. The deal resulted yet again from an exaggerated desire by Blair to please Bush. The newly elected Government under David Cameron are reviewing this unbalanced arrangement.

“Nevertheless smaller countries will have to watch very closely future developments in the latest round of G20 meetings.” Bryan Jeeves

Liechtenstein

Since the Liechtenstein Declaration August 2008 enormous strides have been undertaken to move forward. The TIEA with the UK was revolutionary inasmuch that it went into far more detail than the standard TIEA foresaw. We have a full details summarized on our website under LDF – Liechtenstein Disclosure Facility describing the terms agreed. HMRC have said that they have had over 400 disclosures to date and we have been very active in this field. Recently we had a quarter page advertisements in the Financial Times and the business section of the Daily Telegraph, 3 insertions each spread over two weeks and the response was encouraging. It would seem that the LDF is not widely known enough and this combined with the hesitation to exposure has hindered faster progress. It is not generally understood that applications need to be made during the current tax year to obtain maximum benefit.

Of course the change in the traditional approach to the financial services sector is also causing problems for professionals here. Disappointment at the perceived surrender of existing location advantages is stifling the need to develop the sector in a new direction. It is a fact that transparency in fiscal matters within the EU, EEA and OECD is inevitable.

At the Liechtenstein Bankers' Association recent well publicised event, Michael Hilti, the leading industrialist and most influential businessman in the country, gave an excellent speech on the "radical change" developing. His leitmotif of "Face the brutal facts" more than adequately summarised the option for the future. "We still find it difficult to leave the comfort zone of past prosperity as this means – uncertainty and risks. We have no discipline in implementation and decisions already effected are still being questioned he said". He then went on to refer to the experience that the industrial sector continually faces. "It is not necessarily companies with the best vision and strategy that are the most successful, but those who are most



disciplined and consequent in the implementation of their strategy to adjust to the dynamics of their markets. The main target has to be excellence and to distinguish the financial services sector from the competition. The best climate for innovation is to face the brutal facts and find new fascinating products as the way forward. Michael Hilti also pointed out that bearing in mind the size of Liechtenstein as a financial services centre, the word "Refiners of existing products is most suitable." Obviously new products for industry and for the financial services sector depend on the Government creating the infrastructure necessary to accommodate change. In addition to the legal prerequisites and a stable economy it is a must for the politicians to take even less populist steps by facilitating the hiring of highly qualified staff on the international market. Companies need the chance to buy in know-how and to give such persons the permission to work and live here. We face interesting and challenging times!

Bryan Jeeves CMG OBE
Group Chairman

News from the Jeeves Group

To face the challenges of the future we have progressed well with tax compliant solutions. The Jeeves Group Company, Overseas Pensions Trust Co. Ltd., specialises in offering UK tax residents alternative tax compliant opportunities to benefit more comprehensively from their pension. A joint venture cooperation has been negotiated with a Liechtenstein subsidiary of one of the ten largest Swiss Insurance companies. Liechtenstein being a member of the EEA European Economic Area has direct access to all EU markets, which Switzerland as an EFTA member cannot. The Liechtenstein insurance company is registered and authorized by the FSA.

Tax compliant solutions are also available for EU and US tax subjects.

St. Kitts – Nevis

Increasingly residents of insecure regimes are seeking new countries to secure their asset protection and fortunes by a new residency. The global world of business and the resulting transient business person has the possibility of utilising the ECP Economic Citizenship Programme offered by St. Christopher and Nevis in the Caribbean. Details concerning the ECP can be found on our website.

St. Vincent & the Grenadines

Legislation amendments are being passed by the House of Assembly whereby all residents will not be taxed on their worldwide income, only on remittances to the State. This will avoid any ring-fencing aspersions and reflects statutory rules in many other OECD countries.

Singapore

Good progress is being achieved with our Singapore offices. Fully staffed and compliant with the regulations to apply for a full licence, our client data base continues healthy growth, with increasing excellent contacts with local and regional intermediaries.

Summary

The Jeeves Group has facilities in many jurisdictions and you are only one click away from more comprehensive information www.jeeves-group.com

Contact

Jeeves Group, Bahnhofstrasse 7
PO Box 48, 9494 Schaan, Liechtenstein
Tel. +423 236 14 60, Fax +423 236 14 61
info@jeeves-group.com, www.jeeves-group.com