



Dear Reader,



You will receive our current Newsletter in a new and – hopefully – more user-friendly format. Our Newsletter has outgrown a simple one page format and we wanted to give it a more modern look. A changing political and regulatory framework requires us to optimize the communication with our clients, professional intermediaries and other interested parties. It has become even more important to effectively inform our partners on our activities and views wherever they might

be. You will receive the newsletter in pdf format and we will also have it on our website for downloading, of course. Please let us know should you wish to receive it in hard copy as well.

We hope you find our new issue informative and useful. Please feel free to send us comments anytime.

Yours sincerely,

Alex Jeeves
Managing Director
Jeeves Group

Singapore

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New Zealand

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Panama

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Tax Compliant Insurance Solutions

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Financial Services Centres – Quo Vadis ?

In our last Newsletter from March 2009 we reported on the immediate results of the Liechtenstein Declaration and the ensuing activity by the G-20 etc.

As anticipated, hypocrisy ruled and all countries where their response in tax reporting to other OECD members was questioned, landed on a new "Grey List". Hypocrisy to the extent that China's interest in the SAR's was considered and the SAR's did not appear on any listing. Basically it was rumoured that China told the G-8 Club that any mention would deter their (China's) presence at

the G-20. That is real political power. Other nations who had presumed to annoy the main protagonists, i.e. Germany & France, by not rushing to do their bidding on tax exchange, found themselves also on the Grey List. Astoundingly Austria, Belgium and Switzerland were included.



The results today are that many on the Grey List have attained bilateral Tax Information Exchange Agreements (TIEA) and are either heading off the list or have already moved to the "White List". Bahrain (6), Belgium (11), Bermuda (10) and Luxembourg (12) are on the White List. The figure in brackets after the country designation indicates the number of TIEA's achieved since the G-20 action on the 2 April 2009. Moving away are Antigua & Barbuda (7), Aruba (4), Bahamas (1), BVI (8), Cayman Islands (3), Cooks Islands (1), Gibraltar (1), Monaco (1), Austria (2), San Marino (1), Switzerland (11 paragraphed but not concluded) and Singapore (1), whereby the bracketed figure is again the number signed since 2 April, 2009.

Liechtenstein has paragraphed an agreement with Germany and signed a TIEA with the UK on 11.08.09. According to the MOU (Memorandum of Understanding) regulation needs to be in place by 2015. In addition to the time factor there is a great deal of opposition to

various terms of the MOU and we shall keep you informed. This matter is only of interest to UK tax residents. Liechtenstein is hoping for a conclusion to several others TIEAs in the near future. St. Vincent is in a similar position of having 2 verbally agreed and a further 8 hopefully within a reasonable period.

The OECD in Paris threatens all other countries who have made no substantial progress with a "Black List" towards the end of this year. Provided that such international agreements only reflect "substantiated enquiries" and do not allow trawling generally, they should not hinder sensible international transactions.

Spineless politicians continue to blame the international economical down turn rather than their own mismanagement for current problems. The UK banking crisis caused by uncontrolled lending and the Madoff and Stanford bankrupt schemes caused by lack of US regulation were self inflicted. Unfortunately it is more convenient to blame offshore financial centres. The story of AIG, titled the most dangerous company in the world, is exemplary of the casino mentality that nearly destroyed the world economy. This took place in London and the USA! Small countries without a big brother to protect their interests are exposed. China's influence on the G-20 underlines this type of protectionism.

Blatant use of political power is another tool applied. The inexplicable decision by the EU to give the CIA access to the Swift system, moved to Europe at great expense mainly to avoid this, is another example of bowing to US pressure.

„However, the mass of over-regulation threatened by various Governments will be more a hindrance than a help.“ Bryan Jeeves

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.

Nevertheless there are many unsung heroes who have always and continue to manage their business in an exemplary manner. Of course a down cycle has negative results, but wise businessmen with balanced finance and sensible projects are equipped to weather the storm. This is the “leitmotif” for business tomorrow i.e. sensible and reasonable expectations generated from business projects and definitely not from ideas that only a computer supposedly understands.

There are many positive signs on the horizon. Panama’s primary newspaper La Prensa reacted to the US Ambassador’s criticism of Panama’s bearer shares in a recent article quoting a US Senate Report that proves that Panama has a better standard of corporate transparency. They also wrote that the US should “fight for the right to use fiscal policy to attract foreign investment – there should be an alliance against the intents of other countries to avoid tax competition and in particular against the initiatives promoted by the imperative bureaucracy of the OECD” – the National College of Attorneys of Panama added “it is not correct that the US requests other countries to do something not undertaken in US territory”. This demand could be addressed to many



other high tax nations.

Panama seemingly enjoys certain US benevolence and there is of course heavy US investment involved. Panama remains an interesting jurisdiction where we offer full services.

Meanwhile elsewhere in the world other offshore financial centres (OFC) such as Labuan, Malaysia venture along new paths. The G-20 put Malaysia on the grey list, but they have in the meantime agreed to the minimum OECD standard and will move to the White List. Labuan is enjoying its role as a centre for developing Islamic financial law and leads in the issuance of sukuks (Islamic sharia law compliant bonds). We have clients using Labuan to take advantage of the various DTA’s they have with Eastern European nations. We find it an efficient jurisdiction.

With national elections in Germany this September and in the UK latest May next year, a change of political climate and the return to reason is possible. However we should all beware of “Greeks bearing gifts”.

Bryan Jeeves, Chairman
Jeeves Group

News from the Jeeves Group

Singapore

This country continues to fulfil expectations as an alternative financial centre for the Far East. Together with China's benevolence Singapore is in an advantageous position of being able to say "no" to irresponsible demands from the OECD in general and the US and EU in particular. Singapore has confirmed that it will be happy to be compliant, but does not intend to be manipulated.

The Jeeves Group Company in Singapore, Lexadmin Trust Services Pte Ltd. (LTS) satisfies the growing demand for companies registered there as well as for companies and foundations registered in other jurisdictions such as St. Vincent, Panama and St. Kitts, but that are managed by LTS-Singapore. LTS also arranges for bank accounts and finance facilities for on and offshore jurisdictions.

New Zealand

We have established our own trust company Centurion Trust Co., Ltd. in New Zealand that will allow us to offer New Zealand trusts and companies from a "White Listed" jurisdiction. Such entities may of course hold underlying entities elsewhere. A popular structure is a New Zealand Trust with an underlying company registered in Singapore.

Panama

As noted in the editorial above Panama has attained a special position in the OFC world. We have noted here in Switzerland that intermediaries finding the Liechtenstein – Germany discussion disturbing have been increasingly looking elsewhere. Offering a national language that is an alternative for many to English, the Panama foundation and corporation are considered a genuine alternative to for example St. Kitts or St. Vincent. To satisfy this segment of the market we are extending our services in Panama via Jeeves Group (Panama) Corporation.

Tax Compliant Insurance Solutions

The Jeeves Group Company, OPT 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 co-operation has been negotiated with Valorlife Life Insurance Company, the Liechtenstein subsidiary of the Swiss Vaudoise Insurance Group. Vaudoise was founded over 100 years ago, is one of the ten largest Swiss insurance companies and has an annual premium income of Sfrs. 2 billion. Liechtenstein being a member of the EEA European Economic Area has direct access to all EU markets, which Switzerland as an EFTA member cannot. Valorlife is registered and authorized by the FSA.

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