

DOING BUSINESS

BAHAMAS



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DOING BUSINESS IN THE BAHAMAS

An Established, Progressive and Welcoming Wealth Management Centre

Private Wealth Management is the foundation of the Bahamas' financial services industry. With its historic commitment to providing high quality service to families that span the globe, The Bahamas is in fact one of the world's foremost wealth management centres. Notwithstanding the strength of the country's private wealth services, The Bahamas is a mature financial centre, whose services to a global clientele now include the full range of private banking, estate planning, asset management and fund administration services; The Bahamas also provides services to the international capital markets, and to the insurance and maritime industries. Corporate registry and legal and accounting services are at the core of the multitude of services available in The Bahamas.

This strength not only reflects The Bahamas' long history in providing financial services, which dates back to the 1930s, but it also reinforces the jurisdiction's ongoing commitment to maintain and grow its presence as a provider of high quality financial services. Furthermore it demonstrates the importance and foresight of the many progressive developments in the jurisdiction as it continues to meet the requirements of an increasingly sophisticated financial services marketplace. These and other essential characteristics were not lost on *The Banker*, an FT publication, which in 2005 named The Bahamas The Best International Financial Centre in the Western Hemisphere.

Regulation in The Bahamas has also served the industry well. In The Bahamas, policy makers and regulators are committed to open and ongoing dialogue with the private sector. This has created an environment designed to encourage the continued growth of the sector through adherence to internationally accepted regulatory principles, and efficiency in their administration. The Bahamas also recognizes that it operates in a globally integrated market for financial services.

As a result, the country's anti-money laundering legislation is continually advanced to meet global best practices and standards.

Market responsiveness is a key focus of the jurisdiction. The Bahamas has been very careful to ensure that its legislative and administrative frameworks are continually refined, facilitating services and products to meet emerging market needs. Examples of the jurisdiction's progressiveness include:

- The 1995 introduction of the Bahamas' model of an unrestricted fund administrator which set the standard for the delegation of authority to a regulated financial services provider.
- An innovative Trustee Act 1998 whose provisions set the standard for trust legislation and include the retention by the settlor of certain powers without compromising the validity of the trust.
- SMART© Funds which allows private investment funds to enjoy a supervisory environment which is appropriate to the fund rather than a broad brush regulatory approach.
- The first premier Common Law jurisdiction to introduce Foundations. Long recognized in Civil Law countries, the Bahamas Foundation allows for private, commercial or charitable use.
- Specific Private Trust Company legislation that allows for exclusive interaction between the client and its Bahamian financial services provider with light touch regulation and flexibility to address the unique and varied requirements of families.

With over 200 banks and trust companies located in The Bahamas, many of the world's largest and most prestigious financial institutions have branches or subsidiary operations in the jurisdiction, taking advantage of the country's stable political and economic system.

The world-wide reach and influence of these institutions, combined with the entrepreneurial character



of the country's well regarded niche institutions and related financial service organizations, allows The Bahamas to look at business opportunities on a global basis.

The integrity and continuity offered by institutions located in The Bahamas provide a secure environment. With personnel committed to the local community, continuity of service is more predictable and secure in The Bahamas, and is the basis of its many longstanding institutional and client relationships.

Growth is a priority for The Bahamas. The jurisdiction has a high capacity to meet the needs of institutions through the availability of qualified professionals and land in an ideal location.

As the second largest contributor to the Bahamian economy, the financial services industry also provides essential linkages to other vital business sectors.

- Second home ownership by global high net worth families is on the rise with the presence and continued development by world-recognized organizations spanning the many islands of The Bahamas.
- The nation's 23 seaports include a modern container facility -one of the largest in the region of the United States Eastern seaboard- in a 200-square-mile free trade zone on Grand Bahama Island. This strategically located and modern international container port is ideal for the transshipment of goods to and from ports in North and South America. The city of Nassau also has a major cruiseship port. The Bahamas ranks number one in the world for cruise ship registry and number three in total world tonnage.

Many of the country's features complement and support the financial services sector including a robust information communication framework, a wide variety of Class A office facilities and business support services, excellent flight connections and compelling lifestyle choices, including world renowned residential communities, premier hotels and restaurants.

An independent nation since 1973, The Bahamas marked 275 years of Parliamentary Democracy in September 2004 and confirmed its position as one of the oldest, most vibrant democracies in the Western Hemisphere. All political parties in the country support the financial services industry.

The legal system in The Bahamas, modelled on the British pattern and independent of the political process in the country, provides a well-established environment for international business. The highly respected judiciary of The Bahamas includes a Supreme Court with unlimited jurisdiction in civil and criminal matters, a Court of Appeal and a final Appellate Court to the Privy Council of London.

The country remains committed to a tax neutral platform in which there are no income, capital gains and inheritance taxes. There is also no stamp duty on security transactions. As there is no distinction between Bahamians and non-Bahamians, a person choosing to do business or to live in The Bahamas receives the same benefits that Bahamians do.

Most importantly, investors will find a warm welcome when they come to The Bahamas as both the jurisdiction and its institutions continue to take steps to ensure they respond to the evolving needs of the many faces that populate the spectrum of quality clients.

Count On Us

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