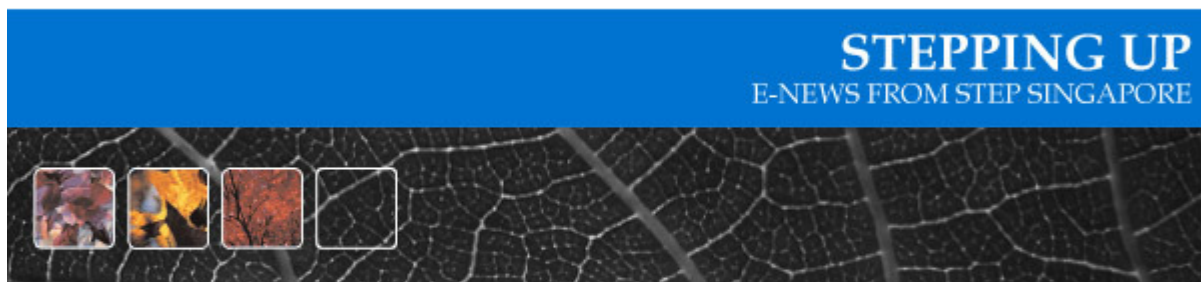


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STEPPING UP - ISSUE 2 (30 OCT 09)

COMMITTEE NEWS:

a. Speech Delivered by President at STEP (Singapore Chapter's) Inaugural Graduation Ceremony

This evening is the first graduation ceremony, *per se*, that we are organizing in Singapore for our graduates of the STEP Diploma. As a fellow graduate, having been one of the first to have undertaken the study programme back in 2001, and as President of STEP Singapore, I would like to congratulate all the graduates on this fine achievement.

Armed with this Diploma, you may now apply to become a full member of STEP, and in doing so, proudly use the letters, TEP. As a Trust & Estate Practitioner, you will become a member of an international professional body with 14,000 member's world wide, and 388 members in Singapore.

As well, you are being recognized as trust professionals at a time, when the industry is facing a new set of challenges such as:

- Off-shore going on-shore
- Tax evasion moving to tax compliant planning
- The OECD's imposition of EOI agreements around the world

But in taking on these challenges, where you will be required to achieve a higher level competency in keeping up with industry developments, you will have the continuing support of STEP with its CPD programme.

Therefore, on behalf of STEP Singapore, I wish you good luck with your career endeavours ahead.

b. Meeting with WMI and STA

In order to seek a coordinated approach for the training, talent development, skills enhancement and competency assessment for the Singapore trust and fiduciary services industry, STEP Committee members met with representatives of the Singapore Trustees Association (STA) and the Wealth Management Institute (WMI) on September 16th, 2009 to establish cooperation among the three organizations. As a result of this meeting, a working party will be formed to pursue these goals.

c. Recognition for former President Mr. William Lexmond

Looking to recognize his valuable contributions to our Chapter, the Committee has unanimously agreed to present a plaque to former STEP Singapore President Mr. William Lexmond.

d. Amendments to STEP (Singapore Chapter) Constitution

Registry of Society has approved the changes to our Constitution tabled at the last Annual General Meeting in June 2009. The Sub-Committee will next set its sights to the issues raised by STEP Worldwide.

e. Singapore and Hong Kong STEP Branches Put In Place Reciprocal Event Publicity Arrangements

Since August 2009, STEP (Singapore Chapter) and STEP Hong Kong Ltd have put in place arrangements to circulate to their respective membership information about the other's events with the intention of:

- i) assisting members traveling between HK & Singapore;
- ii) improving communication between the 2 Branches; and
- iii) improving branch development.

INDUSTRY NEWS:

From STEP Worldwide

STEP Council met on September 2009 to review various topics related to the governance of our global organization. Below please find some of the main points covered at this meeting:

- a. *Code of Professional Conduct.* A new version was unanimously approved, with immediate effect, and has since been disseminated to the Membership. You can review the document at [here](#).
- b. *Governance.* STEP Council debated a number of features of the proposed new governance structure, including the seven-member board of directors, term limits for both that board and Council, guaranteed observer status, and the future configuration of electoral regions.
- c. *Public policy.* Council received updates on STEP's work across a range of topical issues, including the G20 action on international financial centres, OECD engagement with high net worth individuals, the EU savings tax directive, and a number of issues specific to domestic practitioners and relating to non-domiciles, will-writing and probate, and the forthcoming UK general election. Council also discussed the Five Futures research project, which had examined the future of the offshore sector, and was briefed on proposals under consideration to conduct similar research for onshore and civil law practice.
- d. *Chapters.* A new regulation in respect of chapters was approved, for inclusion in the Branch Regulations, and three business plans were approved, for chapters in Lakes and Lancaster (UK) and Labuan/Malaysia as well as for a branch in Seattle, USA.
- e. *Worldwide congress.* Work continues on the development of this concept – a longer-term priority and one which will be assessed further in the light of the new-format branch chairmen's assembly and the review of special interest groups.

UPDATES & DEVELOPMENTS:

Developments Within the Branch – Update on STEP (Singapore Chapter) New Rating System for CPD Training Levels

One element of the role of STEP (Singapore Chapter) Education Subcommittee is to give definition to Continuing Professional Development (CPD) by leveraging [STEP Worldwide Guidelines for CPD](#).

The Subcommittee has proposed the following rating system for STEP-Singapore talks, presentations, workshops, seminars and in general education events:

- Category 1 – Introductory
- Category 2 – Intermediate
- Category 3 – Advanced
- Category 4 – Update on the subject matter

The Categories are intended to indicate the desired level of "prior knowledge" a delegate should have to realise optimal benefit from the event.

The idea is when announcement for a talk, workshop or seminar is sent out by email blast the announcement would include a rating assigned to indicate the most appropriate audience.

Justification: Help attendees to determine if the event is one they wish to attend.

The system applies only to "education" / CPD events and can track the STEP Worldwide CPD Guidelines.

Upcoming Events

"New Approaches by Families to withstand Financial 'Crises': Strategies to Create and Maintain Generational Wealth" (19 Nov, 12-2.15pm, SGX Auditorium)

In this Seminar, Barbara Hauser will deal with the following issues:

Current situation?

- Analysing current methods by which Asian entrepreneurial families tend to create their wealth by operating family controlled business.
- Reviewing consideration of various patriarch entrepreneur business continuation objectives.
- Identifying family business liquidity issues.
- The role of family members to oversee the safety and growth of the operating businesses.
- The differences between "new wealth" and "old wealth" objectives.

What is changing?

- Ways to improve the odds against continuing the operating family business.
- Need for better due diligence and risk management.
- Reassessing the justification to "keep the family in the business".

The speaker will also offer her advice on strategies to create and maintain generational wealth, particularly in Asia, including:

- Reviewing criteria for investments including risk management strategy.
- Developing family leadership and management skills of next generation.
- Setting objectives for family member skill development and competency assessment.
- Formalising family decision making processes and procedures.
- Forming alliances with "similar" families—to co-invest and share in due diligence.

Members of STEP, CPA Australia, CPA Singapore/ICPAS, International Fiscal Association (IFA), Law Society of Singapore, Singapore Corporate Counsel Association (SCCA), Singapore Trustees Association (STA) and Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) enjoy preferential rates.

Due to the relevance and importance of the subject matter, STEP (Singapore) welcomes STEP Members to bring their private bankers and client families to attend as their guests at a preferential rate of S\$60 only, so they may also benefit from this learning opportunity.

Register early to secure your place by completing and faxing the [registration form](#) to 63299699 or via e-mail by 12 November 2009!

Post-Event Updates

Post-Event Update on "Special Trust Structures under Cayman Islands and BVI Law" (30 September 2009)

Richard Grasby (Associate, Maples & Calder, Hong Kong) is the first full time Cayman and BVI trust lawyer in the region. The lunchtime presentation was attended by more than 60 participants. The Chairperson, Lee Chiwi showed a 2004 STEP survey which indicated that the Caymans and the BVI were jurisdictions that Singaporean trust practitioners had perceived highly as major competitors.



In his presentation, lasting about an hour, Richard was able to hold the audience's attention with the unique trust structures offered in the Caymans and the BVI; namely the Special Trusts (Alternative Regime) Law 1997 ("STAR" trusts) and the the Virgin Islands Special Trusts Act 2003 ("VISTA" trust).

The speaker pointed out that the broader applications of the STAR trust beyond its use as purpose trusts. Other uses of STAR trusts included applications as perpetual "dynastic" trusts, philanthropy, for owning shares in a Private Trust Company, off balance sheet structures and for holding high risk assets. The reserved powers legislation in Caymans was also applicable to all trusts including STAR trusts.

The unique feature of the VISTA trust is its alienation of the usual responsibilities of the trustee when it is shareholder of an underlying company under a trust. The trustee has no fiduciary duty in respect of the assets of, or the conduct of the affairs of, the company, except when acting or required to act, on an intervention call. This minimal requirement makes it popular in family business situations and when dealing with risky assets. Where the trust is combined with reserved powers, it can effectively deal with running of a business after the death of the settlor.

Post-Event Update on Seminar on "Global Challenges and Pitfalls for Wealth Planners" (13 October 2009)

On 13th October 2009 Mr Simon Phelps, Partner, of UK firm of solicitors Berwin Leighton Paisner LLP delivered a presentation titled: "The Changing Environment For Wealth Planners in Asia". Simon's presentation was well received by the more than 100 guests who signed up to attend Simon's presentation.



Topics covered by Simon included the following:

- Development of global programmes to address tax evasion and banking secrecy - Organisation for Economic Co-operation and Development (OECD), G20 and Financial Action Task Force (FATF)
- OECD - Article 26 of the Model Tax Convention / TIEAs
- Initiatives from OECD and G20
- The European Savings Directive and Beyond
- Recent and likely responses from Switzerland, Liechtenstein, France, Germany, Italy and the UK
- Impact on Asian clients and funds
- What tools are still available to tax-planners?
- The future for Asia – rosy?

Simon responded to questions concerning EU Saving Directive impact on Singapore wealth management industry, movements away from traditional banking secrecy to "compliant confidentiality", possible consequences brought about by world-wide revenue authorities seeking to collect additional revenue, and the need for wealthy individuals to take appropriate advice from qualified professionals before deciding how best to preserve and protect their offshore financial capital.

Simon was very positive on prospects for Singapore trust and estate planning industry to lead in making significant contribution to cross-border and international personal wealth protection and preservation and the development of commercial and special purpose solutions to support the rapid growth of individual, family and business wealth and assets in Asia Region. Simon stated while he felt Singapore was not insulated from or able to delay global efforts to increase tax related information disclosure, he felt Singapore was proceeding to offer both fiscal authorities and wealth planning customers best of breed alternative solutions and he was certainly willing and available to offer Berwin Leighton Paisner LLP assistance to achieve success.

Post-Event Update on "Inaugural STEP (Singapore) Student Graduation Ceremony 2009"

Those in attendance at the presentation on 13th October 2009 also witnessed or participated in the first ever STEP (Singapore Branch) graduation of 34 STEP (Singapore Branch) student members who were recently awarded the internationally recognised STEP Diploma in International Trust Management, including 22 students who graduated with an overall distinction.



Graduates were individually recognized by delivery of a "Welcome Letter" and congratulated by the Committee for their individual hard work, perseverance and accomplishment. In welcoming and congratulating the recent grads, STEP (Singapore Branch) Chairman, Angelo Venardos encouraged each to promptly complete requirements to secure their respective STEP memberships and attain their Trust & Estate Planning (TEP) designations.

Eli Lenyoun, Ordinary Member of Committee and head of Education Subcommittee reminded graduates they are now practicing in a world vastly different from the world that existed at the time they began work on the STEP Foundation Certificates. While change may be the only real constant, the rate of change is accelerating and this fact will present them with the challenge of remaining relevant, competent and significant contributors to the prominence of Singapore as a world class wealth protection and preservation jurisdiction.

Eli thanked the organising committee and stated the graduation ceremony would not have been possible without the support of Ms June Tan of Secretariat, Society of Trust & Estate Practitioners (Singapore Chapter), Ms Sheri Tan of Becker, Ho & Associates Pte Ltd., Ms Chan Ee Lin of RBS Coutts, Mr Adrian Yeo of Equity Trust, and Ms Goh Seow Chee of HSBC.