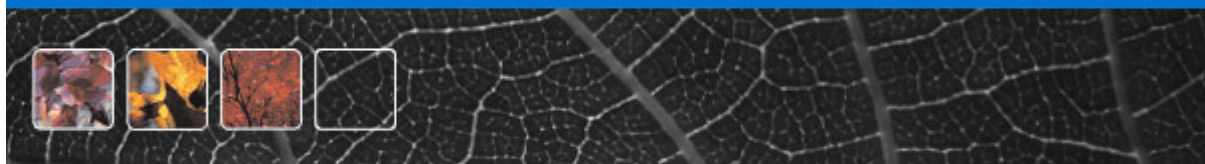


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STEPPING UP

E-NEWS FROM STEP SINGAPORE



STEP
SINGAPORE

STEPPING UP - ISSUE 3: STEP Asia Conference Special Edition (9 DEC 09)

PRESIDENT'S MESSAGE REVIEWING YEAR 2009

Dear fellow STEP Members,

As 2009 draws to a close, what a year it has been..... we made it through the recession, we survived the H1N1 situation, and the cream on top of all of this was our hosting of the 3rd STEP Asia conference which was a tremendous success. For those who did not attend, a summary follows in this newsletter.

The newsletter is a new initiative and was introduced to improve communication with our Singapore Branch members.

I have also included a summary of the events that the Branch has conducted over the past 2 years, which I would like to take this opportunity to thank, not only, all the various past speakers & participants, but also the time taken by all the Committee Members, who as volunteers, give up a lot of their time to service our profession industry body.

A final note of thanks must also go to Ms June Tan & her team at Intellitrain who have been a big part of the success here in Singapore, by the provision of a very professional Secretariat.

Angelo Venardos
President, STEP (Singapore Chapter)

CONFERENCE ROUND UP 2009:

Trusts Across The Frontiers: Alexis Medina reviews the STEP Asia Conference



The STEP Asia Conference, Trust across the Frontiers, was held in Singapore on 20-21 October 2009. Angelo Venardos, Chairman of STEP Singapore Branch welcomed the conference guests and delegates on behalf of STEP Singapore Chapter, and Nick Jacob, Deputy Chairman, STEP Worldwide also extended his greetings to all participants.

Mr. K. Shanmugam, Singapore's Minister for Law and Second Minister for Home Affairs, gave the Keynote Address and elaborated on Singapore's experience regarding the latest economic developments, noting the interest to upgrade and update the industry to maintain high standard trustee and fiduciary services to the region and the world.

Mr. Richard Hay, from Stikeman Elliott LLP, London Office presented an interesting perspective of what is happening worldwide and what to expect next on the issue of tax information exchange on his presentation entitled "Tax and information exchange agreements- The Future". As usual, Richard delivered an exciting and vibrant presentation.

Geoff Cook from Jersey Finance, Jonathan Hooley, from States of Guernsey, Mark Jackman TEP, and Professor Jason Sharman from the Centre for Governance & Public Policy of Griffith University in Australia started the first panel discussion on "the new global framework for wealth structuring". Panelist provided a recount of current events and the IFC's need for a new framework of transparency, disclosure and meeting international standards of co-operation to continue attracting business.



The second round of the panel on the subject included John Riches STEP Public Policy, Gurbachan Singh, KhattarWong and Professor Jim Hines, from the University of Michigan. Issues such as the UK – Liechtenstein tax protocol and the USA’s approach were reviewed while Gurbachan presented a legal perspective to the collision of interests based on the current imposition of change, bound to reach compromises.

Mark Bridges from Farrer & Co LLP, presented the participants with recent trust cases from around the world. Afterwards, Kenny Foo JP Morgan Hong Kong, presented different ideas on the use of trust to protect assets, enlisting some scenarios requiring asset protection and providing guidelines and recommendations.

After lunch, sponsored by Guernsey Finance, Simon Beck of Baker & McKenzie LLP, addressed the topic “Private Trust Companies – Practical use across the jurisdictions” offering an overview of this tool, as well as the pros and cons to be considered.



Day 1 breakout sessions offered a wide choice of themes ranging from letter of wishes, philanthropy, an update on regional jurisdictional trust and a view on the Caribbean’s approach to tax and information exchange agreements by very knowledgeable speakers.

The day concluded to Prof. Hines’ “Why are the IFCs suffering political attack?”, a presentation which gathered considerable interest and provided a glimpse into the US view on IFCs. True to his academic background, the presentation included plenty of statistical data supporting that “offshore” is good for “onshore”.

Early in the evening delegates met for a reception at Raffles Hotel, where hosts Labuan IBFC treated participants to cocktails and dinner at Singapore’s landmark hotel.

Day two started with an update on STEP international education by Bill Howarth, from the Central Law Training International, UK, Singapore and Middle East.

Then Yeoh Lian Chuan, from Rajah & Tann, examined, the differences between Compliance and Confidentiality highlighting the complexities one could encounter on jurisdictional requirements. Later in the morning, David Brownbill from QC UK, talked to the participants about Legal reciprocity issues across the frontiers as they affect trusts.

Mimi Hutton from Wither Hong Kong and Joseph Fields from Withers Worldwide shared information on current USA regulations, including IRS circulars and legislative initiatives under discussion in Washington.

John Riches, Mark Bridges, Nick Jacobs, Lawrence Graham LLP and James Aitken, HSBC Trustee (Singapore) presented and discussed a case study covering many issues regarding structures and common situations among family members.



The panel session on succession law included Richmond Frimston, Russel Cooke LLP, Edmund Leow, Baker and McKenzie LLP and Dr. Britta Pfister, Rothschild Trust, offering experiences on dealing with multiple cultural and religious considerations affecting planning solutions for clients.

After the lunch break sponsored by Rawlinson & Hunter, a panel session focused on contributions by the offshore financial centers to other jurisdictions. Richard Hay, Yeoh Lian Chuan, Gurbachan Singh, Jonathan Hooley and Prof. Jason Sharman offered their views with great clarity.



Breakout sessions again provided the venue for interesting and lively discussions on Succession law cases using trusts; Purpose, STAR and VISTA Trusts; Foundations and Trusts and finally, issues on Family Business.

The last presentation, billed as a debate on the “Death of the Tax Havens”, needed assistance from delegates to resemble a true debate. Nonetheless it was much enjoyed by all, including the chair’s Peter Niven, Guernsey Finance, ill fated attempts to get some mudslinging by either side (Richard Hay and David Brownbill).

Finally, Nick closed the conference calling for greater collaboration between STEP Singapore and Hong Kong. For his part, Angelo thanked all delegates for participating in conferences looking to develop and share knowledge among the practitioners of the industry. Charles Monat provided one last chance to network by hosting dinner at the Raffles Hotel.

It was two intense and rewarding days for STEP Singapore, and we are looking forward to the next opportunity to host STEP Asia Conference 2011.

Conference Opening Remarks

In March 2009, Singapore announced its endorsement of the OECD Model Tax Convention, following the UN's endorsement in October 2008.

Singapore's commitment is in line with its role as a world-class finance centre that supports sound regulatory policies for the international cooperation of tax matters. It is also in line with the commitment provided by other major financial centers.

Strong safeguards will be put in place to protect taxpayers' rights and they include:

- Requests for information apply only to requests made through its existing double tax agreements (DTAs) that have been prescribed by the MOF for the purpose of EOI.
- Requests for information must be specific, detailed and relevant. They cannot be frivolous or spurious or amount to "fishing expeditions."
- Singapore is not obliged to exchange trade secrets or information that is subject to legal privilege.

These messages were reinforced by the Minister for Law, Mr K Shanmugam who added that Singapore is a member of the Financial Action Task Force (FATF), a founding member of the Asia-Pacific Group on Money Laundering, and actively contributes to the development of international financial standards to combat money laundering and terrorist financing.

Conference Closing Remarks

It was heartening to note that we were close to a near record attendance at almost 310, in a difficult year that saw the worst financial crisis for decades. Moreover, we had delegates from 32 countries and speakers from 9 different jurisdictions... Today, STEP is represented in 60 jurisdictions around the world & has approximately 14,000, thus this suggests how broadly supported STEP is as an organization and importantly, how much this industry has grown and is still growing.

Finally, I noted the attendance at the conference of other industry stake holders, such as representatives from the Monetary Authority of Singapore (MAS), Singapore Trust Association (STA), Institute of Banking & Finance (IBF), Wealth Management Association (WMI), STEP Hong Kong and the HK Government.

News Coverage on the Conference

["No fishing expeditions in 'white' tax waters here \(Business Times - 21 Oct 2009\)"](#)

Conference Feedback

Thank you note from Prof Jim Hines:

"I share the view that this was an excellent conference, and speaking personally now, can report that I had a wonderful experience. I learned a great deal from the presentations and from many discussions with conference attendees, some of which have sparked exciting new research projects concerning IFCs that are now underway.

It is a long trip to get to Singapore, and will confess that en route I was wondering if it was all worth it, but now have no doubts: I am extremely glad that I went.

Thank you for including me in this event, and I look forward to more association in the future.

With best wishes,

Jim"

UPDATES & DEVELOPMENTS

Tax Treaties and Corporation Administration Update (26 January 2010, 12-2.15pm, STI Auditorium)

In this Seminar, James Quarmby will deal with the following issues:

- How to 'control and manage' a company properly
- Lessons from the Laerstate BV decision - a case study for company directors and administrators
- Importance of 'place of effective management' for double tax treaty purposes
- Latest OECD developments in tax treaties, including Art 7 (business profits)
- Issues for use of the Singapore treaties

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.

Register early to secure your place by completing and faxing the [registration form](#) to 63299699 or via e-mail by 19 January 2010!

Post-Event Updates

"New Approaches by Families to Withstand Financial Crises': Strategies to Create and Maintain Generational Wealth" (19 Nov 2009, 12-2.15pm, SGX Auditorium)

On 19th November, STEP Singapore organized a lunch talk for its members at which Ms Barbara Hauser, an expert on family governance and estate planning issues, gave an informative presentation on the issues wealthy families are facing in a crisis.



Barbara shared with the audience a number of client cases that she had been involved in. It was interesting to note that despite the cultural differences between families in the East and in the West, both are facing similar if not the same issues when organizing the family affairs and succession planning.

The presentation took a good hour and was followed by an interesting and active Q&A session.

The event was chaired by Alex van der Zwaard, Vice President of STEP Singapore and was attended by almost 70 STEP members and industry practitioners.

Calendar of 2008 & 2009 Events

Date	Event Title	Delegate Numbers
30-Jan-08	The Effect of Matrimonial Issues in Trusts	107
27-Feb-08	Introduction to the Laws & Practices of Islamic Trusts	54
19-Mar-08	Members' Networking Night	33
15-Apr-08	2008 Update on UK & International Trusts & Taxation	81
30-Jun-08	Taxation of Individuals on Investments	109
29-Jul-08	A Former Laundryman Discusses Money Laundering through Trusts & Estates	164
14-Oct-08	International Estate Planning	85
13-Nov-08	2008 Review of Updates & Developments in Singapore Trust Law & Practice	113
2 Feb 2009	A Hitchhiker's Guide to International Tax Planning	80

10 Mar 2009	Members' Networking Night Featuring a Talk on "Intelligent International Tax Planning and Development of Regulations in Labuan"	48
30 Jun 2009	Singapore's Role in the Trust Industry 5 Years On	103
30 Jun 2009	STEP AGM 2009	46
24 Jun 2009	Global Warning: Guiding You Through Difficult Times	62
21 Jul 2009	Exchange of Information – How did We Get Here and Where are We Headed?	73
17 Aug 2009	Arbitration for Trust Disputes – A New Model?	35
30 Sep 2009	Special Trust Structures under Cayman and BVI Law	64
13 Oct 2009	Global Challenges and Pitfalls for Wealth Planners	104
13 Oct 2009	Inaugural STEP (Singapore) Student Graduation Ceremony 2009	NA
20-21 Oct 2009	STEP Asia Conference 2009 – "Trusts Across Frontiers"	307
19 Nov 2009	New Approaches by Families to Withstand Financial 'Crises': Strategies to Create and Maintain Generational Wealth	68