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STEPPING UP - ISSUE 4 (26 FEB 10)

COMMITTEE NEWS:

President's Message

Last year we had the GFC & H1N1, and this year, we will have to deal with such challenges as EOI, DTAs & ETC.

However, whether we accept the Chinese saying "where there is crisis, there is opportunity" or the Western saying "that the glass is half full, not half empty", the Year of the Tiger is one for us all to grab the beast by the tail, and run with all the challenges ahead.

Fortunately, being members of a worldwide professional body of some 14,000 members spanning many jurisdictions, it's comforting to know that the resources of STEP are available, through your Singapore Branch, to deal with trust industry related developments. As well, we can look forward to another busy year ahead, full of informative monthly events and a new initiative this year – our inaugural full day Symposium in June 2010.



On behalf of my Committee, I wish you all, your families (& bosses) Gong Xi Fa Cai!

Angelo Venardos
President, STEP Singapore Chapter

Invitation to Submit Topics & Propose Speakers for Upcoming CPD Events

The Education Sub-Committee always welcomes feedback and ideas from members on CPD topics which may be of relevance and interest to TEPS, as well as suggestions of suitable speakers or offers to speak on such topics. Please email your feedback with appropriate details to the STEP (Singapore) Secretariat at secretariat@step.org.sg.

INDUSTRY NEWS:

Singapore to Host 2010 Global Forum on Transparency and Exchange of Information for Tax Purposes ("Global Forum") from 30 September to 1 October 2010

The Global Forum, comprising over 90 jurisdictions, is responsible for assessing and monitoring through peer reviews the effective implementation of the internationally agreed Standard for exchange of information for tax purposes across jurisdictions.

This is the first meeting of the Global Forum after it was constituted as a self-standing body in September 2009 in Mexico¹. The 2010 meeting of the Global Forum will review the preliminary outcomes of the peer review process and the progress made over the past one year. Singapore is Vice-Chair of the Forum's Peer Review Group.

Mr. Tharman Shanmugaratnam, Minister for Finance, Singapore said "Singapore is pleased to host the Global Forum at an important time – as it puts in place an objective peer review process aimed at monitoring the implementation of the internationally agreed standard for exchange of information. Singapore has been working actively with others to institute this process."

Investigations Subcommittee Holds Hearing on Keeping Foreign Corruption out of the United States: Four Case Histories

WASHINGTON – Corrupt foreign officials and their relatives have used gaps in U.S. law and the assistance of U.S. professionals to funnel millions of dollars in illicit money into the United States, an investigation by the Senate's Permanent Subcommittee on Investigations has found.

"For the United States, which has so much riding on global stability, corruption is a direct threat to our national interest," said Sen. Carl Levin, D-Mich., subcommittee chairman. "That's why the United States is engaged in a relentless, worldwide battle to stop the flow of illegal money into and within places like Iraq and Afghanistan. Laundered money is used to train and provide support for terrorists and terrorism. If we want to credibly lead efforts to stop illegal money abroad, we've got to stop it here at home as well." For more details, see [here](#).

Jurisdiction Update - Brunei

Brunei is a modern and increasingly popular jurisdiction for trusts and tax-free, international business companies (IBCs), providing vehicles for asset protection and international trading activities. Compared with many other offshore jurisdictions, Brunei is a resource rich nation with significant commercial activities. It has extensive petroleum and natural gas resources that contribute to producing one of the highest per capita GDP in the world of over US\$50,000.

Brunei is a familiar country to most Singaporeans. It is in the same time zone. Its currency is interchangeable with the Singapore dollar and the flight time is about two hours. Brunei is a member of the United Nations, Commonwealth of Nations, ASEAN, APEC and Organization of the Islamic Conference, and other regional and international forums.

Legal System

The judicial and legal system is based on the English common law. However like most of its Asian neighbours, substantive and procedural law derived from the English common law has been codified in statutes. There is a separate Shariah Court for Muslim family matters and succession issues. While the country's official language is Malay, the language of the courts is English.

Brunei has an independent judiciary. The lower courts and the High courts are presided over by local magistrates, intermediate court judges and high court judges. The Court of Appeal is presided over by Judges from the United Kingdom or Hong Kong as part of arrangement between the United Kingdom and Brunei Darussalam. The highest or final court of appeal in civil cases is the Judicial Committee of the Privy Council in the United Kingdom.

Legislation Relevant to IBCs and International Business Operations

Brunei IBCs are governed by the International Business Companies Order, 2000 under the supervision of the Brunei International Financial Centre (BIFC).

Trust companies are governed by the Registered Agents and Trustees Licensing Order, 2000. No person shall provide, carry on in from or within Brunei, international business services which includes international companies management business, partnerships management business and trust business services unless he holds a valid licence granted by the Authority. The International Trusts Order, 2000 governs, regulates and defines the establishment of international trusts.

International banking is governed by the International Banking Order, 2000. The International Insurance and Takaful Order, 2002 governs matters concerning international insurance business activities.

Mutual fund management activities have gained momentum with a number of licensed fund managers and licensed investment advisors registering their existing funds under the Mutual Funds Order, 2001 for them to market their investment products locally. The Government of Brunei Darussalam encourages fund management services activities in Brunei. Consequently a number of fund promoters have taken notice of the mutual fund facilities available in the country and have started planning to structure their funds for local and international markets.

Brunei – A Compliant Jurisdiction

Brunei inherited its legal system including the common law principles of equity and underlying trust laws from the laws of England and Wales. The Application of Laws Act provides that, under certain circumstances, the common law of England, doctrines of Equity and statutes of general application in force in the UK are in force in Brunei.

-- Excerpted with permission from "World's Leading Financial & Trust Centres," a book by Sweet & Maxwell Asia (a Thomson Reuters Company), to be published end-May 2010.

UPDATES & DEVELOPMENTS:

Upcoming Events

"Investment Oversight for Trustees" (2 March 2010, 5-7.30pm, STI Auditorium - Capital Tower)

There can be no doubt that the recent turmoil in global financial markets has served as a stark reminder of the importance of understanding the risks associated with investing.

For the investment manager, the focus has been on risk management and capital preservation rather than chasing returns. For the Trustee, monitoring investments and managed portfolios has probably never been more important.

Richard Sayers, Managing Director of Enhance Investments Limited, was a discretionary portfolio manager during the 2001/2002 bear market so has experience of managing client assets during challenging financial market conditions. More recently as a consultant and importantly not having direct management responsibility but guiding professional fiduciaries in relation to investment activities during 2008/2009, Richard will draw on these experiences to provide a current update and live examples.

The presentation will include:

- The evolution of the investment oversight sector
- Review of investment risks in practice
- Jurisdiction case study - Jersey
- Returns and volatility case study
- Qualitative risks case study
- The components of investment oversight
- Conclusions

Register early to secure your place by completing and faxing the [registration form](#) to +65-3299699 or via e-mail to secretariat@step.org.sg!

STEP Singapore Networking Night Featuring a Talk on "Labuan IBFC as Part of Family Wealth Management Solution" (12 April, 6-8pm, Shenton Room, M Hotel)

STEP Singapore is pleased to invite you to its upcoming networking night which will feature a talk on "Labuan IBFC as Part of Family Wealth Management Solution". This will be followed by a standing cocktail with canapés as well as free flow of soft drinks, beer and wine. STEP Members are invited to attend free-of-charge thanks to the generous co-sponsorship of Labuan IBFC Inc. Sdn Bhd and STEP Singapore. Guests are welcome!

Register early to secure your place by completing and faxing the [registration form](#) to +65-63299699 or via e-mail to secretariat@step.org.sg!

"Residence and Citizenship Planning – An Overview for TEPs" (13 May 2010, 12-2.15pm, STI Auditorium, Capital Tower)

In this talk, our speaker Christian H. Kälin discusses the following issues with specific reference to the role of a TEP in orchestrating and coordinating the delivery of the services:

The presentation will include:

- Key criteria to consider
- Tax, immigration and citizenship aspects
- What are the most attractive jurisdictions for Asian clients?

The seminar chairman, Eli Lenyoun, will also provide his insights into how the discussed framework and process may be applied locally in relation to the MAS Financial Investor Scheme (FIS) and EDB Singapore Global Investor Programme (GIP).

The objective is for attendees to understand the value-adding process and integrator/intermediary role played by TEPs in delivering services and solutions described.

Register early to secure your place by completing and faxing the [registration form](#) to 63299699 or via e-mail by **6 May 2010!**

STEP Singapore Symposium on "Singapore Private Wealth Management Update 2010" (22 June 2010, 9am-6pm, Banquet Suite, M Hotel)

Following on from the great success that we had in hosting the STEP Asia Conference last October, STEP Singapore invites you to join us for our inaugural STEP Singapore Symposium. The full day event will cover topics pertinent to the Singapore trust industry presented by leading local trust and estate practitioners, including:

1. Wealth Protection and Preservation for Entrepreneurs in Asia Pacific

2. Singapore - the Approach to trust services - 'a recipe for continued success?'
3. An Update on Singapore's Mental Capacity Act
4. Compliance Vs Confidentiality – Key Issues for Practitioners in Singapore
5. The Appointment and Retirement of Trustees
6. Panel discussion on "Why Singapore for Global Wealth Protection & Preservation?"

For more details, visit www.step.org.sg or contact the STEP Singapore Secretariat at secretariat@step.org.sg.

Post-Event Updates

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

More than 100 participants attended this presentation by James Quarmby from Thomas Eggar LLP, which was chaired by our Branch President Angelo Venardos.



The presentation was very effective in demonstrating the issues of CMC and POEM. The essential question raised during this presentation was "where are the fundamental decisions about the Company taken?". It can be enough that the Directors signed the relevant resolutions outside the UK (even on advice from the UK advisors) so long as this act itself amounted to the free exercise of their discretion, and their role as Directors had not effectively been usurped by some other person. Conversely, it is not enough to provide a paper trail if all that is happening is effectively a rubber-stamping exercise.