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Obscure Tax Havens of the Worlds

There are several other tax and asset protection havens out there besides the main jurisdictions that we constantly refer to, (ie. Switzerland, Panama, Liechtenstein, and Hong Kong). Each of these lesser-known havens has its own specialties that may be worth considering. Take the Isle of Man—it's a leader in annuities and life insurance as investment vehicles. Nevis is great for asset protection trusts and is one of only two nations that might arrange for immediate economic citizenship and a second passport.

So here's my "readers digest" version of somewhat unknown offshore financial centers. Republic of Andorra: Nestled between Spain and France high in the Pyrenees, this is a residential tax haven for very wealthy foreigners who enjoy winter sports. You must live here 20 years to become a "privileged citizen," who has all rights of citizenship except voting, but establishing immediate residency is fairly easy.

Just move in and apply for a resident's card. There is no income or estate taxes for anyone and banking privacy is very strict. With political and economic stability, no labor problems, virtually no unemployment, and the lowest crime rate in Europe, remote Andorra could be your safe haven away from the modern world's problems. But plan on driving because the only access is by road.

Campione d'Italia: This little bit of northern Italy is completely surrounded by Switzerland, and it's one of the least known residential tax havens in the world. But you have to buy a very expensive home to become a resident.

Foreigners who can afford to live here pay no taxes, and can run their foreign-owned businesses tax-free. It may be Italy, but everything here is Swiss, including license plates, currency, postage and banking. The residence permit allows the holder free movement within Switzerland and Liechtenstein, making Campione a valuable European executive base.

Principality of Monaco: Monaco is a tax haven for the ultra wealthy—and great wealth is what it takes to afford living here. There are no taxes on resident foreigners (unless you're French). It's home to millionaires and billionaires from around the world, many retired and enjoying the very good life. Monaco is for those who already have made their money—people who want to spend time and money by day on the Riviera and by night in the Monte Carlo.

Gibraltar: The Rock, as it is known worldwide, is the United Kingdom's only continental European possession, although it is claimed by Spain. It has fashioned itself into a dual-purpose residential tax haven for high net-worth individuals and as a professional base for tax-free international business corporations and trusts. Because of Spanish claims, its future is in some small doubt, but locals have voted nearly 100% in favor of staying British. It's likely to remain so.

United Kingdom Offshore Havens: Even though the U.K. government under the Labour Party has tried to curb tax havens worldwide, some of the world's major tax haven jurisdictions have been the British Crown dependencies, including the islands of Jersey and Guernsey in the English Channel off the coast of France, and the Isle of Man to the west of the U.K. in the Irish Sea. There are many possibilities here for investment profits and tax deferrals, including life insurance and annuities as investment vehicles.

These islands offer even more sophisticated financial services than those found in the fabled City of London. Thousands of investors and business persons worldwide use these islands' investment houses, accountants, lawyers, insurance brokers, and trust and corporation services. Zero corporate tax is now the law in each of the islands. However, pressure from London has weakened financial privacy, and the islands now have tax information exchange agreements (TIEAs) with the United States.

Grand Duchy of Luxembourg: Luxembourg is primarily a business and banking haven, rather than a personal tax haven. It is also a haven for international holding companies and investment funds. Luxembourg has a long history of strong financial privacy laws, enhanced by the fact that it is one of three EU nations that are exempted from tax information sharing with other EU member states under the EU tax directive.

Bermuda: This British overseas territory off the coast of North Carolina used to be dubbed the "Cadillac" of offshore banking. It catered to lots of high-dollar Yanks and Brits with a high degree of financial privacy. Its three respected banks have worldwide branches and investment services, especially since the Bank of Bermuda was taken over by HSBC. But Bermuda has greatly diminished its haven status by signing a TIEA with the U.S., by making foreign income tax evasion a local crime, and by curbing its former financial privacy laws. Of equal concern, as a U.K. colony, it takes orders from London. However, this mid-Atlantic island still is the world's leading place for captive self-insurance companies used by businesses and for reinsurance. It offers excellent asset protection trusts as well as IBCs.

The Cayman Islands: A few years ago, the Caymans (located just south of Cuba) claimed that its financial institutions held one-fifth of the entire world's assets under its management. It was the premier jurisdiction for tax-free international banking and business that wanted (and got) iron-clad secrecy guaranteed by law. But a series of highly publicized cases involving drug and other criminal money laundering contributed to ending this haven's secrecy and some of that cash has fled elsewhere. This U.K. colony, under extreme pressure from London and Washington, has eased its financial and banking secrecy laws. But the Caymans is still a tax-free haven for offshore bank accounts, trusts and international business corporations, as well as a leader in hedge funds, mutual funds, insurance, and annuities.

British Virgin Islands: The BVI has only 21,000 people—but over 400,000 registered IBCs, second only to Hong Kong in total number. That's because the BVI specializes in creating, servicing, and promoting offshore corporations for every purpose. The BVI can truthfully say, "IBCs 'R' Us." And don't overlook their asset protection trusts, international limited partnerships, and insurance. But London is ultimate boss of this U.K. colony.

Nevis: While this Caribbean island is not well known outside offshore financial circles, Nevis is one of the best tax-free asset haven jurisdictions in the world. That's because it has had in place, for over two decades, asset protection friendly laws allowing trusts, IBCs and limited liability companies. Its courts have assembled an enviable record of support for offshore business and its government is a strong offshore supporter, too. And any entity you need can be set up in a matter of a few days at minimal cost. If there is any one offshore haven country that has all the things you need, this may be it. And it's a great place for beach resorts, too.

Belize: This is the only English-speaking nation in Central America and it has had in place, for a decade, a series of offshore laws allowing asset protection trusts, IBCs, maritime registration, insurance—plus maximum financial privacy. Its parliament, courts and government are very pro-offshore and regularly cultivate foreign business. An unusual feature is a special, tax-free retirement residency program for foreigners. But having said all that, Belize is still definitely a Third World country, with all the problems that entails.

United States Virgin Islands: It's not generally known, but under a unique special federal income tax arrangement applying only to the U.S. Territory of the Virgin Islands, it is possible for American nationals and others who make the islands their main residence to enjoy substantial personal and business tax benefits. These lower taxes make the islands an offshore tax haven option for very wealthy U.S. citizens, entrepreneurs and foreign nationals seeking U.S. citizenship—but only if they are willing to make their principal home here and live here most of the year. The VI Industrial Development Commission grants generous tax relief packages including a 90% exemption on corporate federal income taxes for investors who create jobs.

Commonwealth of The Bahamas: Unfortunately, because so many Americans used The Bahamas as an offshore haven in the 20th century, the islands came under heavy pressure from the U.S. government and the IRS because of suspected tax evasion. Since then, The Bahamas has adopted a series of U.S. demanded laws that largely disrupted past cozy arrangements, and seriously diminished the islands role as an offshore haven. These changes were topped off with a TIEA with the U.S. It's still a nice place to retire or have a second home, but more secure financial havens can be found elsewhere.

Cook Islands: These tiny specs far out in the South Pacific, in the middle of nowhere, are home to a very modern set of offshore financial laws including: ironclad asset protection trusts, IBCs, limited liability partnerships, and a very strict financial privacy law that prevents revealing your personal business. While "independent," the islands look to New Zealand, their former protector, for continued assistance. But some people don't like too much distance between themselves and their assets, and these islands are very far out.

Dubai: A relative newcomer to the offshore haven list, this is one of seven emirates of the United Arab Emirates on the Arabian Peninsula. It's becoming a banking and financial center promoted by the Dubai International Financial Center (DIFC). Aside from good supervision and regulation, the DIFC offers an attractive business environment including: zero taxes on income and profits from foreign-owned businesses; a network of double taxation treaties; no restrictions on foreign exchange or capital/profit repatriation; a dollar-denominated environment; enforcement of money laundering laws; ultra-modern office accommodations; state-of-the-art technology, sophisticated

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