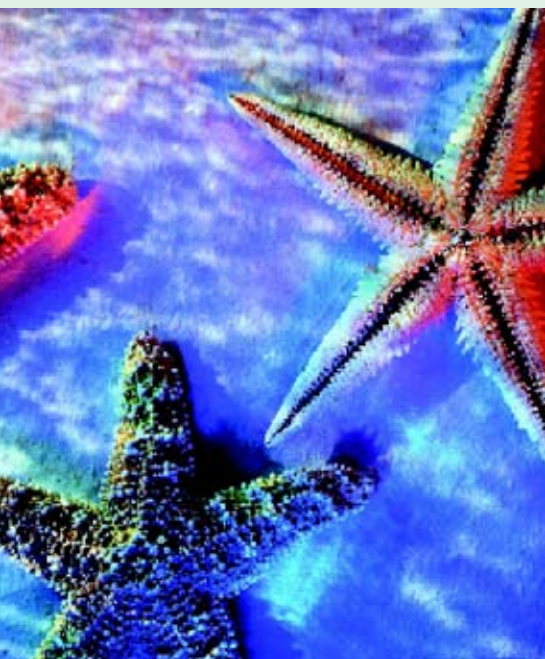


# THE BAHAMAS

*An Ideal Port of Call for International Services*



**B A H A M A S**  
FINANCIAL SERVICES BOARD

# INTERNATIONAL SERVICES

## *in The Bahamas*

### **An Ideal Port of Call**

The establishment of the Bahamas Maritime Authority in 1995 created a dedicated professional body with greater flexibility to manage the already established Bahamas Register of Ships and is the prime reason why The Bahamas is now the leading registry for cruise ships. The 1,500 plus Bahamian-flagged vessels, owned by some of the world's major shipping and cruise line companies, all serve as a testimony to the Bahamas' maritime heritage and leadership.

Freeport's Maritime Centre on Grand Bahama Island which includes Freeport Container Port, Freeport Harbour Company, Bradford Marine Limited, Hemisphere Container Repair, along with the Grand Bahama Shipyard where the largest floating dry dock on the Eastern Seaboard and in the region is located, all serve to make The Bahamas an ideal port of call for the maritime industry.

Likewise, with major enhancements in the financial services legislation over the past 20 years and keen attention to the requisite regulatory requirements, The Bahamas is an important player in delivering international financial services.

### **"Best International Financial Centre" – The Banker**

International financial services have been a part of the Bahamas' landscape for more than 70 years, meeting the discerning and ever evolving financial needs for individuals and families.

In many circles The Bahamas has become regarded as the wealth management capital of the Americas because of its full commitment to providing high quality service to high-net-worth individuals. The Banker, a well known Financial Times publication, named The Bahamas in 2005 as the Best International Financial Centre in the Western Hemisphere.

### **Stability**

Many of the world's largest and most prestigious financial institutions maintain branches or subsidiary operations in The Bahamas, taking advantage of the country's stable political and economic system, and providing the foundation for the jurisdiction's regional leadership in wealth management. The Bahamas is one of the oldest democracies in the Western Hemisphere, boasting over 275 years of uninterrupted parliamentary democracy and 30 plus years as a sovereign nation.

Reflecting the country's political stability, stable economy and steady macroeconomic stance, Standard & Poor's has assigned 'A-' long-term and 'A-2' short-term Sovereign Credit Ratings to The Bahamas. It also enjoys an 'A-3' Investment Grade rating from Moody's Investor Services on its sovereign debt.

These factors along with the integrity and depth of services offered by The Bahamas' financial institutions create a highly secure environment for individuals planning the future for themselves and their families.

### **Sound Regulation**

The public and private sectors maintain that the levels of oversight make The Bahamas one of the best-regulated jurisdictions in the world. The comprehensive approach to regulatory oversight and supervision of the financial services sector and its counter-money laundering regime have been recognized by independent assessments by the IMF.

### **Public Private Partnership**

The importance of the country's financial services sector is underscored by ongoing, high level dialogue between government and the private sector, leading to many of the legislative developments that have enabled The Bahamas to enhance its position as a preferred location for estate and investment planning, as well as corporate services.

### **Tax Neutrality**

The country remains committed to a tax neutral platform in which there are no income, capital gains or inheritance taxes. There is also no stamp duty on security transactions. As well, there is no distinction between Bahamians and non-Bahamians, creating an environment in which international persons receive the same benefits as Bahamians.

### **Personal Privacy**

The growth and development of the financial services sector is also due to the policy commitment to the protection of personal privacy. This remains as strong today as ever and is the same as the strong civil liberties principles long established in many of the OECD nations. The commitment to personal privacy is coupled with a strong anti-money laundering regime and a strong counter-terrorist financing stance.

### **Private Wealth Management**

Full banking services are available with global currency capability, structured products and personalized service. While banking, trust and private banking services have been the cornerstones of the country's financial services industry, The Bahamas has emerged as a complete international centre through the growth and development of several other areas.

The country's wide range of companies and advisory services has established The Bahamas as an ideal domicile for the management of personal wealth for both individuals and families. There is also a comprehensive array of opportunities to plan, protect and transfer wealth through trusts, including purpose trusts, foundations, investment funds, particularly SMART© funds, companies and partnerships.

## Experienced Asset Management

Although The Bahamas' tax-neutral environment is an important consideration, an equally important priority is maximizing the efficiency of financial assets. The country's asset managers have the experience and global connections to provide the type of expert advice and planning to meet investment objectives. Access to "best in class" products through an open architecture facilitates the maximization of asset class, sector and geographic portfolio mix.

## Corporate Services

In an increasingly global economy those entities which transact business in multiple jurisdictions value the importance of properly structured corporate affairs to take advantage of regional and multilateral trade opportunities, tax incentives and mitigation, profits re-allocation, transfer pricing, and double taxation treaty enhancements. Consequently the creation of a permanent establishment in a tax-neutral jurisdiction such as The Bahamas has a number of business benefits.

Foreign shipping groups that take ownership of a vessel through a Bahamian corporation do not pay any corporate income or dividend taxes or capital gains tax on the sale of the vessel or shares of the holding company of the vessel under the laws of The Bahamas.

It is vitally important that the correct international corporate structure is arranged in the most accommodating and well-regulated jurisdiction. The Bahamas meets these requirements, providing individuals and institutions the ability to establish customised corporate structures tailored to the specific demands of their international business transactions, asset management and estate planning. This ranges from the flexibility of the International Business Company (IBC) to the sophisticated Segregated Accounts Company.

The IBC is a staple tool in creating structures to preserve and grow wealth. Its ability to grow with the needs of the client is well established, and is enhanced by the jurisdiction's tax-neutral platform and the judicious corporate governance requirements. It can also be formed inexpensively within 24 hours. Legislation in The Bahamas also enables the creation of Limited Duration Companies (LDCs) and Exempted Limited Partnerships (ELPs).

The Segregated Accounts Company provides that assets owned by individual cells of a single legal entity avoid the risk of contamination of liabilities arising from the various other cells. This structure, quite popular with investment and insurance business, could be of particular interest in holding tangible assets.

## Professional Services

With more than 750 practicing attorneys in The Bahamas, many specialising in financial services, responsive legal advice and services are readily available to assist with structuring and personal financial planning needs. Many firms already are working with the leading shipping firms.

## WHY THE BAHAMAS

- Number one in cruise ship and number three in total world tonnage registry
- Best International Financial Centre in the Western Hemisphere – The Banker
- 70 years in delivering wealth management services
- Comprehensive professional services
- Expedited company formation and investment fund launch
- No direct or stamp tax – except for Bahamian land and certain local company transactions
- Modern business infrastructure and legislation
- Political and fiscal stability
- British-based legal system with final appeal to the Privy Council
- Compelling lifestyle

Specific to those involved in the maritime industry, extensive local services are available through Bahamian attorneys:

- *Registrations including original ship registration, reflagging, the transferring of ship registration, inbound and outbound bareboat registration and provisional ship registration;*
- *Sales and purchases;*
- *Charter licenses;*
- *Mortgages and various securitization transactions.*

The legal community and the country's wide range of accounting firms are part of the broader and sophisticated financial services work force that can deal quickly and comfortably with documents of trade and with the payment of charter hire, operating expenses, port charges and fuel and service suppliers in any part of the world.

## The Bahamas: A One Stop Location For International Services

With sophisticated international financial services, a friendly business climate and growing maritime services, The Bahamas has established itself as a one stop location for international services. Its strong appeal as a financial centre and the continuity, consistency and commitment it delivers in providing financial services create an attractive environment for both business and high net worth individuals.

## **The Bahamas: Strategically located for Maritime Services**

The Bahamas Maritime Authority, a joint venture between the Government of The Bahamas and the private sector, has created a modern, user friendly vessel registration system, resulting in The Bahamas maintaining a global ranking as number one for cruise ship registry and number three in total world tonnage.

One of the reasons for the popularity of the Bahamas Ship Register is that the legislative and judicial systems in The Bahamas are closely modelled on that of the United Kingdom and are therefore familiar to most ship owners, banks and lawyers. At the same time, Bahamian sovereignty which came with independence in 1973, assures the most flexible approach without compromising legal security.

The strategically located and rapidly expanding modern international container port on Grand Bahama Island offers shipping companies yet another benefit – an opportunity to utilise the Bahamas’ strategic location for efficient transshipment of goods to and from ports on the east coast of North and South America.

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*Persons reading this Guide are reminded that where a decision is to be made which depends for its correctness on the effect of issues discussed herein advice should be sought from a firm of qualified legal professionals.*

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