



INTERCONTINENTAL TRUST

International Tax & Management Services

INTERCONTINENTAL TRUST NEWSLETTER

VOLUME 4 - ISSUE 7

The OECD, USA and those lists - turning *A Whiter Shade of Pale*

The fanfare announcements by the G20 of an “unprecedented” plan to deal with the world economic crisis with a package of more than US\$ 1 trillion, have been accompanied by considerable discussion of “lists” published by the Organisation of Economic Cooperation and Development (“OECD”). These lists concern the so-called “tax havens” and financial centres around the world and the extent of their respective commitments to tax information sharing and transparency.

In a move initiated by France to name and shame recalcitrant jurisdictions, we see a positive move that clearly establishes the suitability of compliant jurisdictions on the OECD “whitelist” as places from which international business, investment, trade and commerce can be conducted without fear of retaliation or sanctions. Mauritius and Seychelles, together with all of the G-8 nations and major industrial nations such as China and fast rising financial centres such as the UAE, are all on the OECD “whitelist” of jurisdictions that have substantially implemented internationally agreed tax standards.

In such insecure times, the need for certainty in planning business strategies has probably never been greater. Other

notable and growing financial centres such as Singapore have been targeted and blacklisted for failing to put into practice commitments made as much as nine years ago.

In the case of Singapore, the commitments to the same extent as those given by Mauritius and Seychelles were only given on 6th March 2009 as an immediate response to the pressure from the OECD. It may be some time before Singapore, as one example, may be able to resolve its status issues; as the Singapore Minister of Finance stated his country’s intention to “...*negotiate and conclude DTAs that will enable [Singapore] to provide further assistance for the exchange of information*”.

OECD WHITELIST:

| | | | |
|----------------|-------------|--------------------|-----------------------|
| Argentina | Germany | Korea | Seychelles* |
| Australia | Greece | Malta | Slovak |
| Barbados | Guernsey | Mauritius* | Republic South Africa |
| Canada | Hungary | Mexico | Spain |
| China | Iceland | Netherlands | Sweden |
| Cyprus | Ireland | New Zealand | Turkey |
| Czech Republic | Isle of Man | Norway | United Arab Emirates |
| Denmark | Italy | Poland | United Kingdom |
| Finland | Japan | Portugal | United States |
| France | Jersey | Russian Federation | US Virgin Islands |

*Intercontinental Trust has offices in Mauritius and Seychelles.



INTERCONTINENTAL TRUST
International Tax & Management Services

Other notable jurisdictions such as the Cayman Islands remain blacklisted for failing to implement commitments made in year 2000 resulting in an insufficient number of Tax Information Exchange Agreements having been entered into. 30 “tax haven” jurisdictions and 8 international financial centres fall into this category, not forgetting 4 jurisdictions that have been classified as non-cooperative or not committed.

The G20 leaders’ final communiqué confirmed their decision to “take action against non-cooperative jurisdictions including tax havens”. In addition to the G20 and the OECD, there are unilateral political actions pending in the USA. In February 2007 Senators Levin, Coleman and Obama introduced a bill that is now pending as the Stop Tax Haven Abuse Act. Whilst the USA will, no doubt, have to

consider the implications of such legislation in terms of its international treaty obligations with treaty partners such as Cyprus, Malta and Singapore, it is also significant to note that both Mauritius and Seychelles are excluded from the list of 34 countries targeted by this legislation.

In the midst of such controversies and determined efforts by national governments and international organisations, both Mauritius and Seychelles look to their future confident with a status of being well-regulated, internationally accepted financial centres, fully compliant and adaptable in meeting the stricter standards of disclosure demanded.

Mauritius and Seychelles continue to welcome new businesses.

OECD NON-WHITELIST:

| | | | |
|------------------------|----------------|----------------------|--------------------------|
| Andorra | Brunei | Luxembourg | St Kitts and Nevis |
| Anguilla | Cayman Islands | Malaysia (Labuan) | St Lucia |
| Antigua and Barbuda | Chile | Marshall Islands | St Vincent & Grenadines |
| Aruba | Cook Islands | Monaco | Samoa |
| Austria | Costa Rica | Montserrat | San Marino |
| Bahamas | Dominica | Nauru | Switzerland |
| Bahrain | Gibraltar | Netherlands Antilles | Turks and Caicos Islands |
| Belgium | Grenada | Niue | Uruguay |
| Belize | Guatemala | Panama | Vanuatu |
| Bermuda | Liberia | Philippines | |
| British Virgin Islands | Liechtenstein | Singapore | |

BLACKLIST FROM THE LEVIN’S BILL:

| | | | |
|------------------------|------------------------|----------------------|--------------------------------|
| Anguilla | Cook Islands | Jersey | St. Kitts and Nevis |
| Antigua and Barbuda | Costa Rica | Latvia | St. Lucia |
| Aruba | Cyprus | Liechtenstein | St. Vincent and the Grenadines |
| Bahamas | Dominica | Luxembourg | Singapore |
| Barbados | Gibraltar | Malta | Switzerland |
| Belize | Grenada | Nauru | Turks and Caicos |
| Bermuda | Guernsey/Sark/Alderney | Netherlands Antilles | Vanuatu |
| British Virgin Islands | Hong Kong | Panama | |
| Cayman Islands | Isle of Man | Samoa | |

Intercontinental Trust Ltd is regulated by the Financial Services Commission in Mauritius.
For any additional information please contact us.

Intercontinental Trust Limited ©
Email: intercon@intnet.mu
Web Site: www.intercontinentaltrust.com

DISCLAIMER

The information in this brochure was prepared by Intercontinental Trust Limited to provide potential clients with a broad overview of the opportunities available in Mauritius. While all reasonable care has been taken in the preparation of this brochure, Intercontinental Trust Limited accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it. Readers are advised to consult with appropriate, qualified professional advisors before taking action. Intercontinental Trust Limited will be pleased to discuss any specific issues.