



A cut above

Ross D Webber on the ingredients that make Bermuda a leading trust jurisdiction

Today's private-client and wealth-management community recognises Bermuda as a world-class, international business centre ideally suited to the setting up of trust companies and the servicing of high-net-worth clients. With a stable social and political environment, tax-neutrality, a common-law system based on that of England and Wales, pragmatic regulation, a sterling reputation, and robust, high-tech infrastructure, Bermuda is a uniquely sophisticated business ecosystem that is well positioned to handle international trust structures and wealth-management needs.

Bermuda is a British overseas territory with a Westminster-style government, situated in the mid-Atlantic (one hour ahead of Eastern Standard Time and four hours behind Greenwich Mean Time, a time zone that facilitates global business communication). Daily direct flights to Gatwick and major US east-coast cities also make Bermuda a convenient location for conducting international business affairs, not to mention a wealth of expertise in a long-established pool of service providers that includes the leading accountancy firms, as well as high-calibre legal, telecommunications, banking, insurance and e-commerce professionals.

THE OFFSHORE DOMICILE OF CHOICE

There has never been a better time to choose Bermuda as an offshore domicile for

trusts and private clients. The past 18 months have seen a variety of proactive moves by the Bermuda government and the Bermuda Monetary Authority to increase the island's appeal. Recent regulatory and legislative amendments have reduced bureaucratic red tape to encourage the influx and retention of intellectual capital.

Work-permit reform is just one of the progressive changes aimed at cultivating international business. Term limits on work permits for expatriate employees have been abolished, and new work-permit categories introduced. Under the enhanced system, an operation being established on the island automatically receives five work permits for senior employees, while a 'global' permit allows a Bermuda operation to move key executives to the island without advertising their positions. In addition, Bermuda's *Incentives for Job Makers Act 2013* allows firms to apply for work-permit waivers for senior staff and, for those eligible, permanent residency.

Bermuda is considered a well regulated, reputable and tax-neutral jurisdiction, with no tax applied to profits, income, dividends or capital gains. There is a payroll tax of up to 14 per cent, usually split between employer and employee. Bermuda continues to be a leader in global tax transparency and has negotiated 41 bilateral tax information exchange agreements (TIEAs), most of which are also signatories to the Council of

Europe's Multilateral Convention on tax issues. Bermuda was the first offshore jurisdiction elevated to the white list category of the OECD, which rates the island at the same level of tax transparency as other G8 and G20 nations, such as the UK, US and Germany.

While Bermuda ticks such tactical boxes for facilitating global business, a trump card is that the island also happens to be a very desirable place to live, thanks to its breathtaking beauty, subtropical climate, location and enviable standard of living.

A HELPING HAND

For companies contemplating Bermuda as a domicile or clients seeking to establish a Bermuda family office or trust, a concierge-style resource is available through the Bermuda Business Development Agency (BDA), which is a public-private partnership set up to facilitate key connections with the market and simplify the process of doing business in Bermuda. Companies seeking to learn more about adding the appropriate offshore structure to their businesses or wealth-management model can contact the BDA for more information.¹ ●

1 Additional information about Bermuda is available at www.bermudabda.com



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