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Time to show our value

Thank you and good morning, everyone. Welcome to Bermuda—or, perhaps, welcome *back* to Bermuda for many of you who, I know, are frequent visitors, and some of you who attended this event's very successful debut this time last year.

It's truly gratifying to see such a high-calibre conference become a fixture on the industry's annual calendar. And it's a privilege to welcome to our island so many elite professionals in this field.

Bermuda is a perfect fit to be host venue, given our heritage as one of the world's leading and oldest international wealth-planning jurisdictions—a place for quality. The BDA is proud to be lead sponsor of this conference for that same reason. We're committed to ensuring Bermuda remains at the forefront of international trust law and making certain our domicile provides an innovative, competitive, fit-for-purpose product. Our environment suits your business—from our world-class pool of talented practitioners and globally-respected regulation, to our superior judicial system... which, by the way, turns 400 years old this summer.

We appreciate the particular challenges facing advisors of generational wealth. We understand the changing landscape—the fast-evolving geopolitical, regulatory and cross-border issues that are impacting the trust and private-client industry.

These are indeed interesting times. And not just within your industry.

As a highly successful international financial centre, Bermuda is facing an increasing barrage of rhetoric that is very often misinformed and misdirected. Today brings the latest serving of the Panama Papers feeding frenzy on offshore centres that threatens hard-built reputations and livelihoods.

Not only has “offshore” become a dirty word, but it seems that “wealthy” and “rich” are also fair game. Mainstream media, certain politicians, many NGOs—they seem to be saying that one should be punished for being well-off; that it’s not fair on everyone else if you’ve amassed assets.

There also seems to be the perception that trust and private-client practitioners only exist to help the uber-rich. And the *raison d’être* of offshore is solely to help the mega-wealthy hide their assets from the onshore taxman. There’s lots of scapegoating, blaming and finger-pointing.

But that doesn’t mean we have to sit back and just take it.

Jingoistic assumptions about international financial centres—and the industries within them—fail to acknowledge the complexities of globalisation. They fail to recognise the beneficial role IFCs play, or, indeed, the fact many IFCs have higher levels of transparency and regulation than their competing onshore counterparts. A select few offshore centres, such as Bermuda, represent the apex of cross-border trade and finance. They facilitate investment and wealth-management while also contributing to the stability of other nations’ economies.

Bermuda is now doing much more to educate people about the value of **our** jurisdiction. How our financial environment helps people of all backgrounds, including average families. Let's just look at the UK, for example: more than a third of Britain's local government pension plans allocate money to hedge funds. The same goes for the private sector—where an estimated 64 percent of the top UK corporate pension plans invest in hedge funds, most of which are based offshore.

Investing offshore means pension funds are available for nurses and teachers and dock workers... and actuaries, accountants and trust litigation lawyers! These funds pay their taxes. Bermuda's tax neutrality means funds don't get encumbered with double taxation, and they offer portfolio diversification.

The value of offshore investing should not be stereotyped as the bastion of the rich and famous. Because everyone benefits from offshore finance, including hard-working families and regular employees of large companies, government bureaucracies and trade unions. Our domicile's agile structures, cost-effectiveness and expertise fuel global trade, investment and wealth-management that keeps worldwide economies afloat.

These are factors that are being ignored in the rush to condemn offshore financial centres, and they fail to discern the critical difference between privacy and secrecy. Consider, for example, individuals from war-torn, dangerous or unstable regions. Clients who may choose a place like Bermuda to do business simply because they have a genuine need to preserve capital and grow it in a safe harbour.

Clients put their faith—and money—in jurisdictions that respect their privacy while acknowledging the need for robust vetting procedures. They lean towards domiciles backed by progressive judicial systems with expert courts and modern legislation.

They take comfort from the knowledge there is recourse to appeal and the jurisdiction is not corrupt. The best of *these* jurisdictions happen to be offshore. And the truth is, there's nothing whatsoever wrong with that. In fact, onshore centres *need* places like Bermuda—their economies depend on us.

In this current climate, Bermuda is feeling bullish. That's because this is an opportunity. An opportunity to differentiate ourselves from jurisdictions that can't claim our longstanding, blue-chip record of transparency, compliance and cooperation. An opportunity to explain the basic economics of globalisation. An opportunity to clarify that our regulatory and business ecosystem is pragmatic and appropriate.

We are proving that we are more than just a low-tax jurisdiction. We are demonstrating the value we return to global economies. Bermuda has spoken out strongly on this point, because we're proud of what we *give*, versus what others think we *take*.

Did you know, for instance, that Bermuda supports an estimated half-million jobs around the world? More than 300,000 in North America, and some 70,000 in Britain—through trade, foreign direct investment, and portfolio investment capacity?

Bermuda has always been a responsible member of the global business community, and today that's a bigger selling point for our jurisdiction than ever before. It differentiates us. It pushes back against the false-fiction. Against the politics. Against hypocrisy and lazy journalism.

So, I'm up here, preaching to the converted, advocating for offshore—and Bermuda, in particular. However, I suspect that you—the collective trust and private-client industry—needs to do more of this. There's a need for you to explain the value your industry brings to the UK, to France, to Germany, to the United States, and indeed to the globe as a whole. How, for example, your industry helps foster and grow philanthropic vehicles and charitable trust structures; how it feeds socially-responsible investing.

Our agency, the BDA, is standing in your corner far beyond our shores. We are speaking out and making our voice heard—and we invite you to join us.

In the meantime, I'm delighted that you are all here today and for the next few days. This conference promises an intellectual feast of experts and thought leadership, which should prove stimulating.

I also hope that you'll be able to spend some time outside of these walls. Spring is one of the sweetest seasons here. I encourage you to really see Bermuda and meet Bermudians. Connect with our businesses. Ask us questions. Enjoy our island.

And experience first-hand just how *different* we really are.

Thank you.