

The mission of BIBA is to work with the Government towards the development of the international business sector in the interest of its members and the Barbados economy

President's Message



Dear Members,

September is always a period filled with anticipation for us as it signals that we are one month away from the staging of the International Business Week (IBW). This year marks the fifth anniversary of this important schedule of events, which was launched on September 25.

However, despite the celebration of the sector that accompanies the week of activities, we are ever mindful that there are internal and external challenges that will only be solved through a heightened

level of cooperation so that we are all striving toward one goal – the ongoing development of our sector, which will result on greater national growth for Barbados and its people. It is for this reason that we strive each year to unite representatives from all of our strategic partners in our planning and execution of IBW, and I am pleased therefore that we have had input and support from the Barbados Tourism Authority, the Central Bank of Barbados, the Corporate Affairs and Intellectual Property Office, the Inland Revenue Department, Invest Barbados, the ministries of International Business and Education, and the University of the West Indies, over the planning period.

Mr. Ryle Weekes
President 2013 – 2014

Executive Director's Report



Henderson Holmes, Executive Director

BIBA/UWI MOU

On September 2, I met with Dr. Justin Robinson, Dean of the Faculty of Social Sciences at the University of the West Indies (UWI) Cave Hill Campus, to express BIBA's concern that we have not been able to realise the deepening of the BIBA/UWI relationship as was contemplated when we originally signed the Memorandum of Understanding (MOU) with UWI in 2008.

During the discussion, I suggested that even though information from the Inland Revenue Department was being utilised to arrive at the best estimate of the sector's economic contribution, there

are other inquiries of the sector for which UWI could provide authoritative reports, such as the impact of the sector on the rest of the economy – the nature and extent of integration; a measure of the absorption of UWI graduates in the sector and the specific roles they were playing; the gender factor - how does the sector compare with others in terms of offering attractive career opportunities for women and facilitating their upward mobility. Dr. Robinson agreed that these were areas in which his Faculty should be able to organise useful research and he agreed that further discussions should be held between UWI and BIBA to determine other areas for investigation.

Dr. Robinson also drew attention to the fact that UWI had introduced an MSc Investment & Wealth Management a couple years ago, with a focus on tax planning, and that they would be adding an actuarial science degree shortly. He also noted that UWI had been considering introducing a preparatory programme for the Chartered Financial Analyst (CFA) designation. He agreed to invite qualified executives of the international business sector to speak on

specific topics/areas such as international taxation and tax treaties, investments, banking and finance, regulation, and risk management. He also indicated he would like to host a corporate governance workshop for his students, conducted by BIBA.

In addition, Dr. Robinson informed me that UWI was planning a symposium to coincide with the fifth year of the collapse of Lehman Brothers to focus on the financial industry five years after that event. He advised that he would like BIBA to present at this symposium.

Meeting with FSC

On September 3, I attended a meeting at the Financial Service Commission (FSC), which I arranged between them and Lex Caribbean representatives to discuss the application of an investor (a client of Lex and a member of BIBA) and the unfavourable position taken by the FSC in relation to that application. We impressed on the Acting CEO of the FSC and his two other executives present the importance of appropriate and flexible, yet reliable, licensing and regulation to the development of the Barbados

international business sector and by extension the Barbados economy.

Meeting with Minister Inniss

On September 11, the President, Mr. Ryle Weekes, the 1st Vice President, Mr. Andrew Alleyne, and I met with the Minister of International Business. Other representatives of the Ministry present were, Ms Sonia Foster, PS (ag.); Mr. Kaeron Venner, Director of International Business; and Mr. Stephan Mayers, Senior Legal Officer.

The matters discussed and conclusions reached were as follows:

- i. **Strategic Plan for the international business sector:** The Minister promised to meet with those involved to agree on how to finalise the long overdue plan.
- ii. **Licensing of IBCs and SRLs:** The Minister advised, that contrary to what was announced in this year's budgetary proposals by the Minister of Finance, arrangements are being made within his ministry to issue indefinite licences to IBCs and SRLs as of January 1, 2014. There are also plans to increase the annual license fee to Bds

\$1,000 with effect from January 1, 2015.

- iii. **FSC as the regulator for the International Trust and Corporate Service Providers legislation:** The Minister agreed with BIBA that regulation should reside in one central regulatory authority. However, he said he wanted to be satisfied that the FSC had the capacity for the added regulation of service providers and would meet with the head of the FSC and the Permanent Secretary in the Ministry of Finance on this issue.
- iv. **Canada Revenue Agency Issue:** The Minister informed us that the Central Bank of Barbados was leading a mission to Ottawa for discussions with the Canada Revenue Agency. He said that the most recent letter from the Canadian government had requested Barbados to state specifically what the issues of concern were. He noted the Central Bank was preparing an extensive paper, including background, on the issues as we

perceive them, and the implications.

- v. **Measurement of the Contribution of the Sector:** BIBA impressed upon the Minister that the Barbados Statistical Service (BSS) was in a better position than his ministry to begin to establish the system for data flows, warehousing the data, and generating informative reports because the BSS should have the technical capabilities and the capacity required given the recent upgrading of their systems and processes.
- vi. **Immigration Policy re: High Net Worth Individuals (HNWIs):** BIBA impressed on the Minister the urgent need for clarity as to the process for granting immigration status to HNWIs and advised that BIBA had made recommendations for appropriate immigration policies for investors and HNWI in its feedback on the Green paper on Immigration in 2008-2009. A copy of the BIBA recommendations were sent to the Minister the day after the meeting. The Minister said he would seek to have the Minister

responsible for immigration give a directive to the Immigration Department as to what the process should be.

vii. The New Business Facilitation Unit:

The Minister advised that the business facilitation unit to be set up, according to the pronouncement in the budgetary proposals, will serve all types of business, not just international business. He said all issues affecting a business would be directed to this unit whose responsibility it would be to ensure the resolution of those issues. He said that his ministry is working out the details with a view to having this unit established by November, 2013.

viii. Town Hall Meeting:

The Minister endorsed BIBA's suggestion that there should be a "Meet the Regulators" meeting, and advised it be arranged by BIBA and the Ministry at Bagnall Point at a suitable date.

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x. FATCA: Along with others from Barbados, Mr. Venner attended a meeting in Washington, which was

organised to clarify certain issues relating to FATCA implementation. Mr. Mayers, Senior Legal Officer, alerted us to the fact that the FATCA provisions permit the IRS to share information with other US agencies and even with other countries.

Compensation Survey

The Compensation Survey for the international business sector, which is being facilitated by Caribbean Catalyst following a competitive bid process, was launched on September 18.

Draft Tourism Master Plan Retreat

At the invitation of the Ministry of Tourism and International Transport, I participated on September 27, in the presentation and discussion of the Draft Tourism Master Plan. This is intended to be a comprehensive plan for transforming the Barbados tourism industry.

International Business Week



Launch of IB Week of Activities

The official launch of International Business Week 2013 took place on September 25, at the Hilton Barbados, Needhams Point, St. Michael.



The Hon. Donville Inniss, Minister of Industry, International Business, Commerce, and Small Business Development, delivered the featured remarks. During his short speech, Minister Inniss lauded BIBA and its Strategic Partners, including his Ministry, for staging the annual event. He noted that more support and recognition were needed for the valuable contribution that the

international business sector made to Barbados, and he pledged that the government would continue to explore all avenues to keep this important sector going.

In his remarks, President of BIBA Ryle Weekes, stressed that the overarching theme for the week of activities: **“International Business Barbados ...Embrace the Opportunities”**, which was developed for the first International Business Week during the tumultuous beginnings of the global economic crisis, had lost none of its relevance today. He noted this sector was a major pillar of development and key to reviving Barbados's prosperity in these difficult economic times. He questioned whether the citizens of Barbados were truly embracing the opportunities made available by the sector or allowing insularity and inertia to stymie growth.



International Business Week 2013 Sponsors at the launch event

BIBA Committees

Updates

Insurance Committee

On September 3, 2013, The Chair of the BIBA Insurance Committee, Ms. Janice Burke, and immediate Past Chair, Mr. Chris Evans, had a meeting with Mr. Randy Graham, Director of Insurance and Pensions at the Financial Services Commission (FSC), at which they discussed the Anti-Money Laundering (AML) Guideline and changes to the Exempt Insurance Act (EIA). Out of that meeting, the following was reported:

- The FSC is reviewing feedback on the AML Guideline from other sectors for which they are responsible and intend to communicate the issues raised regarding the Money Laundering and Financing of Terrorism (Prevention and Control) Act (MLFTA) in a comprehensive manner to the Attorney General.
- The FSC submitted proposed changes to the EIA to the Attorney General and Chief Parliamentary Counsel's (CPC) office in 2012. However, the CPC was not in agreement with the drafting

instructions given and no further progress has been made as a result.

- Licensees reaching the expiration of their Governmental Guarantee who wish to obtain an extension for such, can request such from the FSC and they will arrange the extension.

Ms. Burke drafted a response to the Attorney General's request for recommended changes to necessary legislation to improve the island's Captive product offering. Recommended changes for immediate implementation were as follows:

- MLFTA - Schedule 1, Item 15 – Remove “Any other service of a financial nature.”
- MLFTA – Remove IBC's & SRL's from the definition of a “Financial Institution”
- FSC AML Guideline – Remove “General Insurance Business” from the definition of “Relevant Insurance Business”
- Incorporated Cell Companies Legislation – To be enacted
- Exempt Insurance Act – Changes submitted in 2012 to be resubmitted