

## TURKS AND CAICOS ISLANDS OFFSHORE FINANCIAL ADVANTAGES

### **TURKS AND CAICOS ISLANDS' TAX FREE STATUS:**

In The Turks and Caicos Islands there are no taxes whatsoever, Corporate or Personal, on Income, Profits, Capital or Capital Gains. Further, there are no Real Estate Taxes, Estate or Inheritance Taxes, Sales Taxes or Use Taxes. Companies incorporated in The Turks and Caicos Islands enjoy the same tax free status as individuals regardless of nationality of ownership.

The Crown and the Government of The Turks and Caicos Islands have encouraged the use of these Islands as an offshore corporate base for over Ten (10) Years. They have done this by the introduction of laws, the development of a financial sector and the negotiation of treaties with foreign governments, to prevent inquiries into monetary and tax related transactions. In addition, since January 1982, the "exempt" category company has been utilized in the offshore financial center to a large degree.

Government has licensed a number of institutions specifically to provide management services to foreign owned Turks and Caicos registered Companies. These Company Management Firms offer a full range of financial management and consulting services with staff qualified and experienced in corporate affairs, banking, accountancy and related fields. In addition, these Companies provide professional services of value to those intending to do business in or from The Turks and Caicos Islands as well as the formation and management of Turks and Caicos Island Companies. These Companies can also act as professional advisors to overseas clients. The Islands are not party to any Double Taxation Agreement with any Foreign Government.

### **PRIVATE INVESTMENT HOLDING COMPANIES:**

A variety of income earning assets can be held by a Turks and Caicos Islands Company with great tax advantages, including fixed term deposits, listed stocks and securities, shares in private companies, real estate and commissions, patents, royalty agreements and contract rights. Thus, The Turks and Caicos Islands constitute the perfect environment for the amassing and passage of wealth.

Turks and Caicos Island Companies also operate from an environment in which there are no excessive restrictions on their freedom of trade or their ability to transact business in any part of the world.

In 1989 The Turks and Caicos Islands Government created its Offshore Financial Centre Unit which, with its specialist staff, has already made a significant stride forward in the progressive development of The Turks and Caicos Islands as an International Centre of Finance and Investment.

The Offshore Financial Centre Unit plays a major role in the fields of Banking, Trusts, Companies, Insurance, Shipping, Trademarks and Patents. Today, The

Turks and Caicos Islands are recognized as an Offshore Financial Center of major importance to international commerce.

**INSURANCE COMPANIES AND CAPTIVES:**

The Insurance Law implemented in 1990 has already had spectacular results. The protection of The Crown and the expertise of the professional community have contributed to making The Turks and Caicos Islands one of the most important jurisdictions for the registration of offshore insurance companies with in excess of 1,100 Insurance Companies licensed since the inception of the new Insurance Law.

The Turks and Caicos Islands Government offers generous concessions to Reinsurance Companies including but not limited to exemptions to many fees. Captive Insurance Companies have also been flocking to these Islands as a result of legislation designed to foster the industry.

**Commercial Shipping And Private Yachts:**

Although The Turks and Caicos Islands has been a popular base for the registration of foreign owned vessels for many years, recent conventions adopted by the Islands means that a Turks and Caicos registered vessel owned by a Turks and Caicos Company enjoys all of the privileges afforded to the British Flag and true international recognition while benefiting from the tax free status and confidentiality laws of The Turks and Caicos Islands.

**Mutual Funds:**

A large number of mutual funds are already registered in The Turks and Caicos Islands to take advantage of its tax free status and freedom from restrictive securities regulations.

**Special Privileges Attaching To Exempted Companies:**

The following constitute some of the advantages of an Exempted Company in The Turks and Caicos Islands:

In the area of Confidentiality, The Turks and Caicos Islands have no requirements to file details of shareholders or directors. In addition, there are no requirements for general Shareholder Meetings. Directors can hold office until replaced and Authorized capital may be expressed in any currency with no minimum paidup Capital requirement. Further, the Company name can be in any language with no requirement for the word "Limited" to form part of the name.

The Governor, upon application, can confer Company exoneration from future direct taxation and any increases in annual filing fees for up to Twenty (20) Years. Company objectives may be unrestricted and the Company has the power to convert to ordinary Company status. Ordinary Companies may be exempted.

**Transfer To And From Other Jurisdictions:**

The Companies Ordinance makes provision for the transfer into the Islands of Companies incorporated in other Jurisdictions. The law of the country of incorporation must not prohibit such transfers and there are safeguards to protect creditors and shareholders.

The Company, on being transferred, becomes registered as if it were incorporated in the Islands as an Exempted Company. A Company wishing to transfer in the future at short notice may obtain a "standby" permit which can be activated without delay. There are corresponding provisions for transfers out of the jurisdiction.

**Management And Returns:**

A Company's Board of Directors may be comprised of One or more Directors, may be individuals or Corporations. It is necessary for every Company to appoint a Secretary who may be an Individual or a Corporation, and who may also be the sole Director of the Company.

There is no legal requirement that Directors should reside in the situs jurisdiction. Companies are required to hold a general meeting at least Once (1) a Year, save that the first meeting need not be held for Fifteen (15) Months following incorporation, and to file a Return with the Registrar of Companies following the meeting. This Return contains details of the share capital, and of the Shareholders, Directors and Officers. Exempted Companies file a Declaration that certain requirements of the Ordinance have been complied with and that the operations of the Company have continued to be conducted mainly outside the Islands.

**Confidentiality:**

As well as The Companies Ordinance, which applies specifically to the business affairs of Exempted Companies, the Confidential Relationships Ordinance 1979 imposes a duty of Confidentiality upon Banks, Professional Advisers, Government Officers (including the Unit) and other persons holding positions of Trust. Stiff Criminal Penalties ensure the strength of the Confidential Relationships Ordinance.