

## **NEVIS MAKES STRIDES**

The Nevis Financial Services is constantly upgrading and enhancing its services to meet the needs of the offshore industry. In 1984, Nevis became involved in the international financial services industry with the introduction of the Nevis Business Corporation Ordinance, which provides for IBCs. Since then, appropriate and deliberate efforts were made to expand the range of financial services available while at the same time enhancing the quality, integrity and innovativeness of the jurisdiction. In 1994, ten years after passing legislation for IBCs, Nevis enacted legislation to provide for asset protection trust. In the year following this, the jurisdictions enacted legislation to govern offshore banking and limited liability companies, thereby being the first offshore jurisdiction ever to establish LLCs as an offshore product.

Last year, the Nevis Financial Services sought to further expand and develop its legislative regime. On the 7<sup>th</sup> of April 2004, the Nevis Financial Services welcomed the enactment of the Nevis International Insurance Ordinance. This Ordinance was put in force on the 1<sup>st</sup> November 2004. On the 16<sup>th</sup> November 2004, the Nevis Island Assembly enacted the Nevis Multiform Foundations Ordinance and the Nevis International Mutual Funds Ordinance; two unique and magnificent pieces of legislation that offer extraordinary tax planning and asset protection benefits.

The Nevis Multiform Foundations Ordinance introduces a flexible hybrid 'multiform' of foundation into the Nevis offshore regime. The Nevis foundation is a legal entity shell,

which allows a subscriber to self-design the form, subject to given rules that define the multiform foundation. The Nevis Multiform Foundation Ordinance also provides for a balance between privacy and transparency and for healthy corporate governance. Another key feature about the Nevis Multiform Foundations that makes it stand out from other offshore foundation is that it provides for transformation, conversion and consolidation of entities. For instance, (1) an entity incorporated outside of Nevis can be transformed into a Nevis foundation, (2) an existing Nevis entity can be converted into a Nevis Foundation and (3) any two or more entities from outside or within Nevis can merge into a Nevis Multiform Foundation. There are many other notable features of the Nevis Multiform Foundations Ordinance, which make the proposed Nevis Foundation an absolutely attractive asset protection tool.

The Nevis International Mutual Funds Ordinance offers three classes of mutual funds: public, private and professional. The Public Fund can make an invitation to the public to purchase shares and before carrying on business from within Nevis, the public fund must file with the registrar a prospectus and a certificate from an approved professional stating that nothing in the constitutional documents is adverse to the laws of Nevis. A key feature of the Public fund is that it must have at least two independent individual directors. The Private Fund can make invitation to up to 100 investors to purchase shares on a private basis and must be recognized by Minister before carrying on business in Nevis. The Professional Fund is available to professional investors only and the initial investment limit should not be less than US\$100 000. A key feature of the Professional

Fund is that it can be fully operational for a period of up to 14 days without being recognized under the Nevis International Mutual Funds Ordinance.

All LLCs, IBCs, Unit Trusts and other recognized entities, although foreign to the laws of Nevis, can form a Nevis Mutual Funds. Additionally, what makes the Nevis Mutual Funds remarkable is that funds can be re-domiciled into Nevis in an easy and efficient manner. This is because there is fast track approach to the licensing of existing managers and administrators of that fund.

Apart from the passage of these new pieces of legislation, Nevis has also undertaken prudent and constructive measures to enhance our regulatory and professional infrastructures. There have been several training workshops and seminars for our regulators dealing with compliance, anti-money-laundering and regulatory issues. The Registered Agents, too, are being trained in order to familiarize themselves with the fundamentals of managing the new offshore products and better managing the existing offshore products. The orientation to this training began in August 2004 during Nevis International Financial Services Industry 20<sup>th</sup> Anniversary celebrations. On the 15<sup>th</sup> December 2004, there was a certification program on International Insurance, which was commissioned by the Nevis Island Government and conducted and designed by Mr. Samuel M. Lohman of the President Emeritus of the Offshore Institute and Lead Consultant of the Financial Services Sector Advisory Group.

The International Insurance certification programme was the first of its kind in the offshore world and the first in the series of workshops organized by the Nevis Financial Services. On the 1<sup>st</sup> February 2005 there will be another certification course on the topic of Anti-Money Laundering Compliance and Combating of Terrorist Financing. This course will be designed and presented by the Dixcart Group in conjunction with the St. Kitts and Nevis Financial Intelligence Unit and the Nevis Island Administration.

There are many other recent developments in the Nevis International Financial Services Industry. On Tuesday 7<sup>th</sup> December 2004, Nevis introduced the Nevis Multiform Foundation to London Practitioners and the concept of establishing a Nevis Multiform Foundations (London) Sub-Registry at Jirehouse Capital, London. The Nevis Financial Services hopes that the presence of a sub-registry in London would not only serve as an added convenience for our existing and potential UK clients and but would also facilitate and generate foundation business from the UK and wider Europe.

Additionally, Nevis is in the process of introducing a web-based structure for company incorporation called the NORM, Nevis On-line Registration Module. The NORM will be available to all registered agents licensed under the laws of Nevis and it will allow these registered agents to carry out Name Reservations, Company Enquiries, Certificate Requests and Company Incorporations from any where in the world, in a quick, secure and cost effective manner.

Nevis is committed to the proactive development and enhancement of its international financial services industry. For 2005, we will continue to improve the quality of service given in the jurisdiction and our legislation agenda will remain active as the sector continues to introduce attractive, market driven legislations, which recognises international standards and which are aimed at maintaining Nevis as premier international financial center with a reputation for integrity and vigilance.

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