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USA RISK  
GROUP

INTEGRITY  
INDEPENDENCE  
INNOVATION

SPRING 2015

The  
**INDEPENDENT** ★

# A Decade of Excellence

## The USA Risk Group Educational Conference Turns Ten

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President, Cedar Consulting, LLC

**D**istinction has two shades of meaning: a difference between similar things and an exhibition of excellence that sets something apart.

It's hard to believe that the USA Risk Group Educational Conference is going to be ten years old this year. The conference will be held May 19--21, 2015 at the Ballyntyne Hotel in Charlotte, NC. We've chosen the conference theme "Decade of Distinction" because we think the name meets both of the meanings; not just because we think our con-

ference is unique compared to other conferences but that it's one of the best captive insurance educational forums around. Those who have attended over the years agree giving the conference consistently high marks over the years.

The USA Risk Group Educational Conference is unique because it combines contributions from industry leading service providers, expert USA Risk Group personnel and captive owner experiences in a format that helps attendees to make application of best in class techniques and solutions to their own situa-

tions. The conference sessions are conducted in an open question and answer format and there is a free dialogue and exchange between presenters and attendees.

The conference sets itself apart from other conferences for service providers because it boasts a high percentage of captive owners to vendors, speakers are experts and make themselves available throughout the conference for interaction with attendees and there is a perfect mix of session and social interaction to give the entire experience a collegial feel.

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The Ballyntyne Hotel in Charlotte, North Carolina; home of the tenth annual USA Risk Group Educational Conference.

# Captive Owners Have a Voice in Bermuda

Tom McMahon (tmcmahon@cedar.bm)  
President of Cedar Management Limited

The Bermuda Captive Owners Association (BCOA) was established in 2005 with the general intent of establishing a forum for the exchange of ideas and to promote the interests of its members. Annual membership is \$500. The current Chairman of the Association is Robert Vermes, Chief Executive Officer of The Captive Advantage, a client of the Bermuda office of USA Risk. Adam Rekerdres of Rekerdres & Sons Insurance Agency, Inc is a member of the Board of Directors and also a client of the Bermuda office. They are joined by six other Bermuda captive owners on the Board. Mick Larkin, Vice President of Cedar Management, USA Risk's Bermuda office serves as the Association's treasurer.

The Association is currently very active in a number of areas:

## Member Forum

The Members Forum was launched in October 2014 to provide a platform to facilitate discussion and education between members and on subjects of interest. To-date, subjects

such as litigation and FATCA have been discussed – pending subjects include self-procurement taxes and collateral. These forums are held via conference call.

## Bermuda Captive Conference

The BCOA is very active in planning the 2015 Bermuda Captive Conference – with representation on all of the conference sub-committees. Members receive complimentary registration to the conference. The Association's annual general meeting is scheduled to take place during the week of the conference.

## Newsletters

The BCOA issues a quarterly newsletter to its membership which includes a message from Robert, as President as well as articles contributed from members and non-members.

## Increasing Membership

Since assuming the Presidency in 2014, Robert Vermes has made it a personal mission to

increase the membership and move the BCOA to the next level. In December 2014, while on the Island, he visited a number of captive managers to promote the BCOA and encourage account managers to present the association to their clients. He also met with the Executive of the Bermuda Insurance Management Association (BIMA) who assured him of their continued support in developing the BCOA.

The Association is an associate member of BIMA thus providing captive owners a voice in all matters that impact the captive sector in Bermuda. The Island has maintained its position as the World's premier domicile down through the years, due in no small part to the two way dialogue between the regulator and the industry. BIMA, being the voice the industry recognizes the need for captive owners to be involved in that dialogue and is delighted to support the development of the BCOA. As a past President of BIMA and the current Chairman of the conference, I value the input provided by the Association and wish it well as it continues grow in strength. ★

# “On Base” with Content Management

## USA Risk Group Implements a New Content Management System

Jennifer Hawkins (jhawkins@usarisk.com)  
Assistant Vice President Administrative Services & Human Resources, USA Risk Group

USA Risk Group is pleased to be moving forward with the implementation of our new content management (document imaging) system, OnBase. This system replaces the prior system at [www.usariskgroup.com](http://www.usariskgroup.com) and is linked directly through our main website at [www.usarisk.com](http://www.usarisk.com).

OnBase allows employees and clients access via the web to closed period financial state-

ments, board materials, policies, corporate records, etc. As documents are uploaded to the system, clients have the option to receive an email notification with a URL link directly to the file or to navigate directly to the OnBase system through our website and browse available files.

All data previously housed at [www.usariskgroup.com](http://www.usariskgroup.com) has been moved over

to OnBase and our account managers and staff will be moving all closed period files there on a going forward basis. We are currently targeting June 30 for completion of the data migration from our file servers and will conduct a formal roll out to clients at that time.

OnBase was chosen as we wanted the best

(Continued on page 3)

## Decade

(Continued from page 1)

We'll explore such topics as:

- ◆ The who, what, where and why you should investigate a captive
  - ◆ Various collateral mechanisms available and how to best implement them in support of your particular captive's situation.
  - ◆ Options available to captives to balance the difficult questions of capital preservation, liquidity for claims payment and maximized returns.
  - ◆ Emerging tax issues affecting captives
- Cybersecurity concerns and practical solutions
- ◆ Principals of reinsurance and their application to captive programs

You can find more information about the conference and a link for registration at [www.usarisk.com/conference](http://www.usarisk.com/conference). ★

## OnBase

(Continued from page 2)

for our clients. Clients will be allowed 24/7 access to their final documents in PDF format through a secure password protected login. Clients have access to only their data. OnBase is a best of breed product and well suited to the insurance industry. OnBase will help take much of the pain out of audits and examinations by eliminating the time-consuming and error-prone process of manually verifying the existence of documents. We can also prove compliance by reporting on information that is missing, aging or expired. It also allows us one place to implement our security policies. We have complete control over who can access the information and exactly what they can do with

it. We can track who has accessed a document and any changes made to those documents.

OnBase is also part of our disaster recovery plan by maintaining electronic copies of all documents across redundant servers and locations. OnBase will automatically fail over to the available copies if the primary server/site goes offline. This allows our employees and clients to remain productive if there is a disaster to a single server or location.

Clients interested in receiving access, with the understanding that all data may not yet be available, should contact Jennifer Hawkins at 802/371-2210, [jhawkins@usarisk.com](mailto:jhawkins@usarisk.com) or Joshua Jarvis at 802/371-2206, [jjarvis@usarisk.com](mailto:jjarvis@usarisk.com) to set up an user account. ★

OnBase® is a registered trademark of Hyland Software, Inc.

## Insuring Against an Evolving Terrorism Risk is Not a Tick-Box Exercise

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Special Risks, Miller Insurance

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A spate of high profile terrorist attacks in Europe, including the attack on the Paris offices of satirical magazine Charlie Hebdo in January, has brought to attention the risk of home-grown radicals operating in Western countries. It could be argued that terrorism is changing as smaller groups of extremists target civilian offices, supermarkets and coffee shops, rather than high profile seats of power and infrastructures. But is this the case?

### Global Terror

Today, a wide range of terrorist groups operate across the globe, with differing motivations and methods. The recent attacks in Sydney,

Paris, Copenhagen and Tunis have gained a significant amount of media coverage, suggesting that there has been a shift towards attacks of a smaller scale. However, the threat of large scale terrorist attacks remains ever present in the US and Europe, although the risk is managed to a certain extent by counter-terrorism agencies. Somalia-based Al Shabaab recently threatened to target shopping malls in the US and Europe – the al Qaeda affiliate was behind a 2013 attack on the Westgate shopping mall in Nairobi, Kenya that left 67 people dead. In addition, the threat of larger attacks has also been increasing in many parts of Africa, notably from Boko Haram in Nigeria and Al-Shabaab in Kenya.

### Developing Risk

With such a variety of potential threats, the

effects of terrorism on the insurance market have evolved beyond large property damage. For example, the attacks in Nairobi's Westgate shopping centre and in Mumbai in 2008 both caused extensive physical damage and disruption to business.

Smaller-scale attacks have highlighted the additional risk of third party liability and business interruption exposures, including non-damage business interruption. While the recent attacks in Europe, Australia and Canada resulted in minimal property damage, such attacks can quickly escalate and result in large losses so it is crucial for businesses to consider their exposure from a variety of angles.

### Gaps in Cover

The attacks and sieges perpetrated by terrorists in Europe, Australia and Canada in the

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# Portfolio Insurance Company Legislation

Paul Macey (pmacey@usarisk.ky)

President of USA Risk Group (Cayman), Ltd., Head of Offshore Operations

The segregated portfolio business in Cayman has been on the rise for a number of years and the recent passing of legislation allowing the creation of portfolio insurance companies should continue that trend.

One of the drawbacks to the existing segregated portfolio structure has been the inability to reinsure risks within the same entity and the uncertainty of individual tax elections for segregated portfolios.

A working party was formed to tackle this issue which led to the concept of a portfolio insurance company ("PIC"). In essence the PIC as it will be called will be a separate legal entity that is owned by the segregated portfolio or cell.

The cell is not itself incorporated which is different from jurisdictions that have gone the route of incorporated cell structures. Once a cell has formed a stand-alone PIC the PIC will be able to contract on behalf of the cell.

This structure will allow the PIC to enter into agreements and contracts with other entities including other PIC's within the same SPC. This would allow a PIC to reinsure the risk of another PIC and create a pooling mechanism which may be beneficial for risk distribution purposes.

The PIC would also be able to contract for services specifically provided to the PIC such as actuarial services, insurance management and auditing.

The flexibility created by the PIC legislation extends to its share structure. Whilst the voting shares must be controlled by the cell it is possible to create non-voting shares in one or more classes or series. This would allow for underwriting profits to be distributed to the appropriate party.

A PIC will have its own board of directors which will provide an element of independence from other PIC's and the cell company

itself. The PIC can also have its own investment policy. These features provide flexibility in terms of corporate governance.

The PIC can also be transitioned into a stand-alone captive with a minimum of fuss. The entity itself has already been formed with a governance structure in place. From a regulatory perspective the approval of a PIC moving to a stand-alone captive is relatively straightforward.

The Cayman Islands have positioned themselves to take advantage of the continued evolution of the segregated portfolio structure. The flexibility of the PIC legislation has been welcomed by the industry and the collaborative efforts of both the insurance managers and other interested parties demonstrates that Cayman is determined to remain at the forefront of the captive insurance industry. ★

## Vermont Updates Regulations

Cindy Lyford (clyford@usarisk.com)

Vice President, USA Risk Group of Vermont, Inc.

Vermont's captive regulations have been the model for many new captive states. However, to keep up with a changing industry and in response to clients, Vermont makes some amendments to its regulations each legislative session. This year was no exception.

Vermont Captive Bill S.98 (Bill S.98) was introduced into legislation for the purpose of making various amendments to Vermont law with regard to captive insurance companies and risk retention groups. Bill S.98 has been approved by the Vermont House and Senate and will be passed shortly. A summary of the changes is as follows:

### Number of Incorporators

Prior to Bill S.98, a captive insurance company incorporated or organized in Vermont needed three incorporators or organizers at a minimum, with at least one of which being a Vermont resident. Bill S.98 amends the law to reduce the number of required incorporators from not less than three to one or more. The requirement that at least one of the incorporators be a Vermont resident remains unchanged.

### Minimum Capital and Surplus Requirements

Prior to Bill S.98, the minimum capital and surplus was required to be in the form of cash, a trust approved by the Commissioner (for the sole benefit of the Commissioner), or an irrevocable letter of credit from an approved bank. With the passage of Bill S.98, marketable securities have been added as an acceptable form of capital and surplus. The Commissioner will issue a bulletin defining

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# Bermuda Prepares for Solvency II Equivalence

Tom McMahon (tcmahon@cedar.bm)  
President of Cedar Management Limited

There are now less than nine months remaining before the January 1, 2016 inception date for Europe's new Solvency II insurance regulatory regime (2009/138/EC). Bermuda, along with Japan and Switzerland are working to achieve full regulatory equivalence. Failure to achieve full equivalence would place Bermuda's commercial insurers at a competitive disadvantage when doing business in Europe.

With a view to obtaining full Solvency II equivalence, the Bermuda Monetary Authority ("BMA") has engaged in a final round of public consultation with the Island's insurance industry on proposed regulatory changes which will impact the Island's commercial insurance classes, being Classes 3A, 3B, 4, C,

D & E. As Bermuda is not seeking equivalence for the captive insurance sector, the proposed regulatory changes will not affect the captive classes I, 2, 3, A and B.

The proposed changes address a number of areas:

- ◆ Notification to the BMA of shareholder changes in accordance with specified thresholds
- ◆ Requirement to establish the head office in Bermuda
- ◆ Rules surrounding the outsourcing of certain governing senior management positions
- ◆ Increased public disclosure of certain information

The class structure of Bermuda's insurance regulatory regime has enabled the BMA exclude the captive sector from Solvency II equivalence. While equivalence with Solvency II was not requested nor wanted by the Bermuda captive sector as a whole, there are some individual captive companies with significant European operations who may be disadvantaged by not being in an equivalent jurisdiction. Fortunately, the Bermuda insurance regulations enable these captives to opt up to a higher class and thus be subject to a Solvency II equivalent regime.

Further updates on Bermuda's Solvency II equivalence preparations will be provided in future newsletters. ★

## Vermont

(Continued from page 4)

"marketable securities" as it relates to this change.

### Governance Standards for Risk Retention Groups

Bill S.98 amends the law to adopt governance standards for risk retention groups. The effective date of governance standards is one year after passage of Bill S.98 for existing risk retention groups. The standards apply at formation for any risk retention group first licensed on or after the passage of Bill S.98. These standards work to ensure that risk retention groups are governed by the members and for the benefit of the members. The Vermont Department of Financial Regulation will be issuing guidelines relating to implementation in the near future.

### Minimum Capital Requirements for Sponsored Captives

Prior to Bill S.98, the minimum capital and surplus requirement for a sponsored captive insurance company was \$500,000. Bill S.98 amends the law to reduce the minimum capital and surplus requirement for a sponsored captive insurance company from \$500,000 to \$250,000.

### Naming Conventions for Incorporated Protected Cells

Bill S.98 amends the law to add a requirement that incorporated protected cells have their own distinct names and designations. Incorporated protected cells should include the words 'Incorporated Cell' or the abbreviation 'IC' within its name. This requirement applies

to all incorporated protected cells formed after the effective date of Bill S.98.

### Sponsored Captive Insurance Companies

Bill S.98 amends sections of the sponsored captive insurance company law to make it easier to read by moving parts of the law to more appropriate sections. In addition, Bill S.98 amends the law to adopt the NAIC Protected Cell Company Model Act language into Vermont law. These provisions provide additional clarity and add protection to policyholders and sponsors.

If you have any questions, or if you would like further details with regard to the above changes, please feel free to contact me or a member of your management team at (800) 872-7475. Thank you. ★

# Recent Trends in the Reinsurance Marketplace

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Executive Vice President of USA Risk Intermediaries, LLC

During the past two to three years, many trade press articles focusing on P&C reinsurance have had a common central theme; “it’s a buyer’s market”. But while the reinsurance market is well capitalized, and pricing is generally favorable, that sentiment is bit misleading. There really should be an asterisk inserted in there.

No question, the P&C reinsurance industry is healthy, and by all accounts that health will continue through 2015. According to a recent study by Aon Benfield the amount of global capital available in the reinsurance market increased in 2014 by over 6%, to \$575 billion dollars. The component of that total capital coming from “alternative” sources, i.e. hedge funds, sovereign wealth funds, pensions, etc., rose 28% to account for \$64 billion of the total capital. According to A.M. Best, during the same time period U.S. and Bermuda reinsurers posted an industry combined ratio of 87.5% and European reinsurers posted a 92.5% combined ratio. In large measure, the strong 2014 results and increased capital are due to record low Cat losses in the U.S. and minimal Cat losses in other parts of the world. Yet despite these benchmarks of industry health, reinsurers are having a difficult time achieving their target ROE’s.

## Terrorism

*(Continued from page 3)*

past year have highlighted potential gaps in some organisations’ insurance cover as national pools and market solutions prove slow to respond to the evolving threat.

At a time when terrorism risk is becoming more global and diverse, government backed solutions remain national in the scope of cov-

The main reasons are 1) a persistent glut of available industry capital, with its resultant competition, and 2) much of that capital is being provided by impatient sources; i.e. they want it working so it can provide a return. For the past decade, and particularly since the end of the last global economic recession, P&C insurance and reinsurance rates have been decreasing. Particularly, Property rates have declined due to the lack of a significant U.S. catastrophe since 2005. Normally, it’s high reinsurance rates that drive buyers to retain more net exposure. However, in recent years, persistently low insurance rates and increased industry health have driven insurers to buy less reinsurance. As a consequence, reinsurers have been forced to become more competitive and seek ways to differentiate themselves.

All of the above point to a wildly cheap reinsurance buyer’s market, right? Nope. While reinsurance is relatively affordable and capacity for most lines is plentiful, reinsurers are being quite selective in what they write. If you’re a reinsurance buyer at a large standard market insurance company, life is pretty easy right now; particularly if you write Personal Lines. A large “traditional” buyer has tremendous market clout. If you’re a buyer for a smaller captive insurance company or RRG, er, and limited to property damage and resulting business interruption from catastrophe-sized events.

As a result, cover provided by national solutions like the Terrorism Risk Insurance Act (TRIA) in the US may no longer be the best option for many companies given the evolving threat. Despite its recent re-authorization, TRIA would not cover attacks like those in Paris or Sydney had they occurred on US soil - TRIA only provides cover for certified acts

you’re faced with more of a challenge. Why the dichotomy? There are two main reasons; the more specialty nature of coverage, and smaller size of the placements. Due to poorer than average results in recent years, which has forced reinsurers to bolster reserves, and a generally poor investment return environment, reinsurers are being very selective when it comes to underwriting and pricing certain classes prevalently covered in the alternative market. In general, classes such as Transportation, Municipality Business, Workers’ Compensation (particularly related to staffing/PEOs) are currently challenging to place.

The bottom line is that reinsurance for those classes is available under the right circumstance, and for the “right” price...which is good news! However, be aware that your placement will be much more successful if you engage the assistance of an experienced professional to help. For captive and RRG buyers in particular, working with an experienced professional reinsurance broker will help ensure that buyers get the most “bang for their buck”, and also the most state-of-the-art structures, terms and conditions in today’s reinsurance marketplace. ★

of terrorism that cause insured losses in excess of USD5m. It has also been widely publicised that the 2013 Boston marathon bombing failed to trigger the federal backstop for the same reason.

Buying terrorism cover is not a box ticking exercise. If you purchase it, it needs to be fit for purpose. ★

# The Deal on 831b

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Vice President—Insurance of USA Risk Group, Inc.

There has been considerable buzz over the last few weeks around the 831b tax election. So, what's the deal?

## What is the 831b Tax Election?

For the uninitiated, section 831b of the U.S. Tax Code allows for a P&C insurer writing less than \$1.2 million in premium (and meeting certain other conditions) to be taxed only on investment income. This benefit allows smaller insurers to accumulate surplus and operate efficiently where without the tax benefit, they may not be able to survive. While the original intent of this provision was to support small, regional mutual insurers, it has been adopted by the captive industry to great effect.

## So Why All the Attention?

The majority of new captive formations over the last few years involve companies taking the 831b election and it appears this trend will continue for some time. Much of this growth has been driven by aggressive marketing and education campaigns by organizations focused primarily on forming 831b electing captives. Some of this activity is perceived by the IRS as promoting captives more as a tax shelter than an insurance risk management solution. This flurry of activity, combined with the active promotion of the structure, has led to more scrutiny from the IRS.

## What is Going on Right Now?

The IRS included small captives in their "dirty dozen" list for 2015. They specifically reference the misuse of Trusts and Captive insurers taking the 831b election (sometimes

in conjunction with one another). We understand the IRS has active inquiries with captives managed by certain groups who have a high proportion of their clients taking the 831b election.

The Congressional Joint Committee on Taxation recently released an outline of a proposed bill to modify the 831b code. The proposal would increase the premium threshold to \$2.2 million, but also restrict assumed reinsurance and set certain ratios on affiliated business. The changes were viewed as potentially devastating to the small captive business and the industry acted quickly. The damaging provisions were quickly removed. However, the Committee tasked the IRS with providing a report regarding concerns raised about abuses of the election. Whatever the outcome of any Congressional vote, it's clear that the IRS will have an active role in the process.

## Ok, So What Does this Mean if I'm Interested in Forming a Small Captive? Should I Think Again?

If you own a business or have clients with businesses that have sound risk management need for a captive, you should absolutely continue to explore the option. As you explore options and work with various consultants and advisors, you need to keep certain things in mind:

- ◆ A captive is a regulated insurance entity. Prospective captive owners need to be fully engaged in the process. The owner is ultimately responsible for the captive. They need to understand their obligations and take them seriously.
- ◆ The risk management needs and objec-

tives must be clearly stated and supported through a well designed feasibility study.

- ◆ Qualified accounting and legal advice should be sought to ensure the captive is structured properly.
- ◆ The experience, qualifications and resources of the captive manager need to be assessed.
- ◆ Proposed coverages need to be consistent with the needs of the business and supported by properly worded insurance policies. Be leery of being offered a generic slate of policies that don't take into account your specific coverage needs.
- ◆ Premiums need to be reasonable and consistent with the exposures being covered. If a similar policy can be purchased in the commercial market for a much lower premium, the business purpose for using the captive could be challenged. Where possible, measuring captive premiums against commercial premiums for similar coverage can be useful.
- ◆ When pooling is being offered, conduct proper due diligence
  - ◇ Do you even need pooling?
  - ◇ Who else is in this pool?
  - ◇ What is the loss history for the program?
  - ◇ Does the pool really qualify as insurance?

The last point can be critical as some pool sponsors may not clearly understand all of the requirements. Some pools are structured primarily to give the appearance of sharing risk while greatly mitigating the potential losses of participants. While financially advantageous, the potential for loss is a critical element of

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831b

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insurance. If it is determined the pool cannot actually suffer an underwriting loss, then the whole structure may be disqualified.

So, in Closing...

We anticipate small captives will continue to drive much of the captive formation over the next couple of years. When well designed, they offer significant risk management benefits. However, as this trend continues, the IRS will continue to focus their attention on small captives. It will become more and more im-

portant for prospective and current captive owners to make sure they are working with consultants and advisors with the necessary experience and qualifications to offer a properly designed and managed program to meet the specific needs of the owner, as well as be able to stand up to scrutiny should the IRS come knocking. ★

Barbados: The Gateway to Latin America

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Delany Law

Originally appeared in Barbados International Finance & Business, 2015. Reprinted with the kind permission of the publisher and the author.

Barbados' ties to Latin America (LatAm) date back to the fourth century, when archaeologists believe the Amerindians made their way to the island from Venezuela and established themselves as Barbados' first indigenous people. Barbados has since evolved and, from the standpoint of business, has established itself as the international business nerve centre for the region and the gateway to Latin America. The island has been a participant in the international business and financial services sector for almost half of a century, designed as a low-tax jurisdiction with a network of double taxation and investment protection treaties, complemented by a wide range of products, services, incentives, and concessions.

Venezuela was the first LatAm nation to engage with Barbados on tax treaty matters. The countries entered into both a double taxation agreement (DTA) and a bilateral investment treaty in the late 1990s. This was followed by Cuba. With the emergence of strong Latin American economic growth, Barbados has been intent on solidifying its position as

the gateway to and from this important region of the Americas. In recent years, Barbados has concluded DTAs with Mexico and Panama. Other LatAm agreements are at various stages of negotiation, including those with Brazil, Chile, Colombia and Costa Rica. The Barbados Government recently announced the prospect of entering into negotiations with Guatemala, and it is felt that this trend will continue as Barbados continues its quest for hemispheric integration, building upon its role in the globalisation of the world's economy.

It is important to note that Barbados has maintained its reputation as a well-regulated international business and financial services centre. It was the only English-speaking Caribbean country placed on the original Organisation for Economic Co-operation and Development's "White List" in 2009. This history has played an integral role in allowing Barbados' LatAm treaty objectives to come to fruition, as it has permitted (or will permit) the removal of Barbados' tax haven status in these jurisdictions. A case in point was Mexico several years ago, and in anticipation of the Barbados-Colombia agreement being concluded, Colombia placed Barbados on a limited carve-out list

of tax havens in October 2013. A year later, Colombia removed Barbados from the black list altogether.

Brazil*	Panama
Costa Rica*	Colombia*
Mexico	Guatemala+
Chile*	Venezuela
Cuba	
*negotiations pending	
+under consideration	

LatAm related DTAs:

It is anticipated this trend will continue with the likes of Brazil and other treaty partners, who deem jurisdictions offering tax rates below a certain threshold as tax havens.

The notion of a global network plays well into Barbados' strategy. Supplementary to its LatAm movement is Barbados' tax treaty with Spain, signed in 2010. Complementing this, are treaties with China, Qatar and Singapore, as well as Canada, the United Kingdom and the United States. The ability to tap into other treaty networks, like that of Panama, considerably increases Barbados' flexibility and solidifies its position as the gateway to Latin America. ★

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