

INVEST SAMOA NEWSLETTER

15TH FEBRUARY 2018

WORD FROM THE CEO

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- A brief look into the Trustee Companies Act 2017
- TCSP Licence Fees
- A brief look into the Foundations Amendment Act 2017
- Reporting Requirements under Automatic Exchange of Information and Multilateral Agreement for Automatic Exchange of Information



Talofa Lava and Greetings to you all in the mighty name of our Saviour Jesus Christ.

Welcome to our Invest Samoa newsletter.

The re-branding of SIFA's marketing name from SIFA.WS to 'Invest Samoa' came about in October 2016 as part of efforts to revamp and develop SIFA's promotional and marketing work under a new name. The objective was to use a name that not only promotes international financial services offered by SIFA, but at the same time promotes Samoa as a jurisdiction with investment opportunities in tourism, economic development, international sports and most importantly 'international financial services.'

Why Samoa?

Samoa prides itself in Stability, Innovation and competitiveness. However, there are many factors that demonstrate Samoa as the jurisdiction of choice amongst other international financial centres.

Samoa was the first South Pacific Island to gain independence in 1962, and has since maintained political stability through a Westminster styled Parliamentary democracy.

The Government of Samoa has support-

The birth of 'Invest Samoa' also coincided with SIFA's restructure completed in September 2017 where its Marketing Division was therefore renamed 'Business Development', tasked with marketing and promotional functions under the SIFA Act 2005.

In this regard, we are happy to celebrate the first year of recognition of 'Invest Samoa' and are excited to launch our inaugural Newsletter that will bring you the highlights of our annual work which includes what we do as the promotional arm of SIFA, the local and international events we have taken part in, the accomplishments we have achieved so far, as well as our proposed activities and fixtures for this year.

This Newsletter also hopes to pave the way to a closer working relationship between 'Invest Samoa' and our Trustee Companies.

We hope that you will find the information we provide in this newsletter reliable and useful.

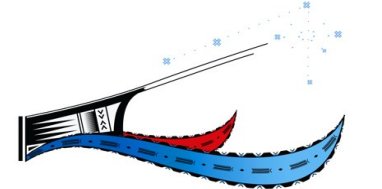
Happy reading!

SAMOA: THE JURISDICTION OF CHOICE

ed its international finance centre since its inception in 1987.

Striking the right balance in regulation and meeting the requirements of legitimate business is one of Samoa's main advantages. Samoa has strived to adhere to global standards in the area of financial regulation and cross border cooperation.

It has avoided implication in recent money-laundering and tax evasion scandals; its efforts to comply with international standards and regula-



INVEST SAMOA



Seminar Presentation: Hong Kong 2017



China Offshore Summit Shenzhen 2017



Seminar Presentation: Hong Kong 2017

tions, promotes Samoa as an innovative and credible jurisdiction of choice.



China Offshore Summit Shenzhen 2017

TRUSTEE COMPANIES ACT 2017

The *Trustee Companies Act 1988* which has governed the operation of trustee companies since establishment of the centre was repealed by the *Trustee Companies Act 2017* (“the Act”) when passed by Parliament into law on 17 December 2017. The passage of the Act is a notable milestone as it provides Samoa with cutting edge legislation mirroring international standards and giving investors and clients wider options to conduct trust business.

The private trust company (“PTC”) concept is now available under the Act which has been offered by other international finance centers (“IFCs”) however has only recently been introduced under the Act, after careful consideration by the SIFA.

The Act introduces managing trust licences whose manager can be a firm of local lawyers or accountants and three (3) types of licences to provide trust business. The three (3) types of licence available under the Act is a Services Licence for all financial services business except Trust business; the second being a Trust licence for the provision and administration of trust services only; and the third being a Composite licence for both Services and Trusts. Each type of licence may be operated by a trustee company or managed for a trustee company.

Another salient feature of the Act is the reduction in the capital requirement for the different

types of trust licences whilst placing emphasis on insurance.

The Act opens a gateway for business opportunities for our local professionals providing trust business or looking at offering trust services as it enables law and accounting firms to apply for a managing trust licence.

On the Compliance front, the Act demonstrates Samoa’s adherence to international standards particularly in preparation for Samoa’s next round of reviews by the OECD in the third quarter of this year. While we acknowledge effects from the stringent regulatory policy makers, impact of events such as the economic recession, credit crunch and a move towards a more transparent

“The Trustee Companies Act introduces managing trust licenses and three(3) types of licenses for service providers to choose from”

regime in the trust business, prompts us, nevertheless with greater reason to ensure that the main piece of legislation governing the work of Trustee

Companies in Samoa reflects relevant international standards to ensure stability and continuity of the Trust industry. To this end, requirements such as the definition of ‘beneficial owner’ as well as provision of accounting records and ready availability of crucial information regarding international financial vehicles have been incorporated into the Act to demonstrate Samoa’s commitment to an appropriately regulated environment.

Trustee Companies Act 2017	
Fees	
Application for Trust Licence	USD\$2,000
Certificate for Trust Licence	USD\$8,000
Application for Renewal of Trust Licence	USD\$2,000 (up to 16 trusts) +\$100 for each additional Trust
Application for Service Licence	USD\$1,500
Certificate for Service Licence	USD\$6,000
Application for Renewal of Service Licence	USD\$2,000
Application for Composite Licence	USD\$2,500
Certificate for Composite Licence	USD\$10,000
Application for Renewal of Composite Licence	USD\$2,500 +50 of which the TCSP is the Trustee at the renewal date
Application for approval to be	USD\$1,000
Application for Renewal of approval for Managing TCSP	USD\$1,000
Application by firm for approval for a Managing Licence	USD\$1,000
Application by firm for approval to renew Managing Licence	USD\$1,000

FOUNDATIONS AMENDMENT ACT 2017

The *Foundations Amendment Act 2017* (“Amendment”) implements the introduction of Fees and Forms for registration of Foundations. Equivalent to the provisions of the *International Companies Act 1988* the Amendment and the *Foundations Act 2016* provide an alternative to our popular international companies which have traditionally been Samoa’s mainstay.

It is anticipated that the Amendment and Regulations for the *Foundations Act 2016* will bring in more business as we embark on this New Year.

Unlike Samoan Trusts, a Samoan Foundation is a registered entity, which owns its own assets. There are provisions for special types of Foundation, such as a charitable foundation and a combination of a foundation with a limited partnership. An overseas Foundation may apply for redomiciliation into and out of Samoa.



SIFA Consultant & staff - Foundations Amendment Review 2017

LICENSED ENTITIES

- ASIACITI TRUST (SAMOA) LIMITED
- CENTRAL CORPORATE SERVICES LTD
- GOLD-IN (SAMOA) CO. LIMITED
- INTERSHORE CONSULT (SAMOA) LIMITED
- INTETRUST LIMITED
- MAYSTAR (SAMOA) LIMITED
- OCRA (SAMOA) LIMITED
- PACIFIC FIDUCIARIES (SAMOA) LIMITED
- PORTCULLIS (SAMOA) LTD
- SERTUS INCORPORATIONS (SAMOA) LIMITED
- VISTRA (SAMOA) LIMITED
- VISTRA TRUST SAMOA LIMITED

CRS AUTOMATIC EXCHANGE OF INFORMATION: SAMOA

Samoa along with 60 other jurisdictions has committed to the OECD's Common Reporting Standards ("CRS") for the automatic exchange of information which will be effective for Samoa in September 2018. The legal basis of the automatic exchange of information is Article 6 of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters ("the Convention") which provides for the automatic exchange of information between Parties to the Convention where two Parties subsequently agree to do so. Accordingly, the Multilateral Competent Authority Agreement ("the MCAA") provides a standardized and efficient mechanism to facilitate the automatic exchange of information in accordance with the Standard for Automatic Exchange of Financial Information in Tax Matters ("the Standard").

By way of background, Samoa's commitment to the OECD Project on Transparency and Exchange of Information for Tax Purposes dates back to 2009 when it was grey

listed by the OECD as a non-compliant jurisdiction. Swift action to address this saw Samoa signing 11 Tax Information Exchange Agreements ("TIEAs") in the same year and passage of the *Tax Information Exchange Agreement Act 2012* ("TIEA Act"). To date, Samoa has 17 TIEAs in place, all administered by the Ministry for Revenue ("MfR") and our TIEA network continues to develop.

In view of the Standard, Samoa has since passed the *Tax Information Exchange Agreement Amendment Act 2017* ("the Act") in late 2017, implementing the CRS for automatic exchange of financial information about persons that invest outside of their jurisdiction of tax residence. The objective of CRS is to assist, detect, and deter, offshore tax evasion.

To facilitate CRS for Samoa, trustee companies must be aware and ready to provide accounting information for reporting financial institutions or entities they deal with to the MfR. Key terms to note to identify reporting financial institutions include financial entities that provide a custodial

or a depository or an investment entity or a specified insurance company. Schedule 3 of the Act sets out information for trustee companies to ensure smooth implementation of CRS for Samoa.

In broad terms, CRS requires trustee companies to carry out Due Diligence and Reporting of financial information to MfR. While we acknowledge that the MfR is the competent authority for CRS, we hope its implementation come September 2018 is successful. Useful information for CRS guidance can be found and accessed at www.oecd.org/tax/automatic-exchange which is the CRS Implementation Handbook and guidance set out in answers to "Frequently Asked Questions". We also understand that MfR is compiling a Guidance Note for financial institutions to ensure the effective implementation of CRS here in Samoa.

Additionally, SIFA has provided significant financial assistance to help fund the electronic system to be used by MfR to implement CRS. The OECD will monitor the effectiveness of its implementation.

DISTANCE LEARNING COURSE: INTERNATIONAL ESTATE PLANNING & STRUCTURING

Maintaining ones wealth in order that they may pass it on is an important matter, even more important is how one carefully structures their wealth to ensure that they and their heirs are able to enjoy it over the long term. The wealth management industry is faced with numerous challenges, particularly with evolving customer needs and strict regulation. Wealth management clients are becoming more astute about financial planning, and are seeking digital capabilities and better advisory options.

On the regulatory front, compliance mandates make wealth management appear difficult, particularly in terms of structuring, however almost all the requirements focus on protecting the clients and their information, as well as ensuring the legal aspects are met.

Samoa prides itself in keeping up and complying with the international standards and is evident in its place on the

'white list' of the Organisation for Economic Cooperation and Development (OECD) in 2016. It was also described by the International Monetary Fund and the World Bank as the model economy for the Pacific Region.

There has been a steady increase in the number of licensed entities in Samoa which is evidence of the growth of the international financial services industry in Samoa, as well the growing interest in the use of Samoa's solutions.

The information and requirements have lead to a change in perspective for Samoa. Having engaged Mr Mark Lea as a consultant/advisor for Invest Samoa to conduct trainings for its local professionals on international estate planning and structuring, 2017 was the third year the Distance Learning Course ("DLC") was conducted; training local professionals in matters of Samoan trusts and foundations, their respective salient features as well as potential risks and challenges.

The local professionals have built their capacity and developed their expertise with respect to international estate planning and structuring.

Building the capacity of the local professionals

and practitioners will boost the attractiveness of Samoa, as prospective clients have assurance that they are provided with the best advice giving them the ability to utilise the most appropriate Samoan solutions; consequently boosting their attraction.

Following the trainings and workshops conducted, Invest Samoa continues to encourage the Private Sector to establish a Society of Trusts Estate and Practitioners (STEP) Chapter in Samoa. This will add value to the credibility of Samoa as an international financial services jurisdiction and increase the exposure of their respective firms/entities to the global industry.



Meeting with Licensed Trustee Companies 2017

INVEST SAMOA INTERNATIONAL SEMINARS

Samoa as an international finance centre (IFC) for thirty (30) years has become the premier International Finance Centre in the South Pacific, despite perpetual and stringent changes in international regulations and standards.

Since 2014 there have been substantial changes in the solutions offered by Samoa particularly in regard to International Estate Planning. Samoa has taken a 'client-centric' approach providing legal and appropriate tailor-made solutions to accommodate the ever-changing client needs as well as the legal standards.

In keeping up with developments in the offshore industry, Invest Samoa conducted Master Class Seminar presentations throughout 2017 in various locations. The International Seminars con-

ducted were well received by all the participants at each Seminar.

It was evident from the number of questions and information requests, that there is a budding interest in the use of Samoan solutions as a viable alternative for business compared to the more established jurisdictions.

The final Seminar for 2017 was held in Dubai and there was a lot of interest from the STEP Dubai sector.

As a result of the successful Seminar presentations, Invest Samoa will continue for 2018, adding China as one of the destinations for the 2018 Seminar Series. The intention is to keep the momentum going with regard to raising the awareness on Samoan international finance solutions as well as Samoa as the jurisdiction of choice for international financial business.

INVEST SAMOA INTERNATIONAL CONFERENCES

In addition to the International Seminars, Invest Samoa has utilized opportunities to sponsor important conferences and events pertaining to the industry, in order to also gain more interest and awareness on Samoan solutions.

Invest Samoa was the Silver Sponsor for the China Offshore Summit in Shenzhen, May 2017 as well as the Silver Sponsor for the China Offshore Summit held in Shanghai in October 2017.

The China Offshore Summit is attended by over 300 delegates, comprising of China's leading international trust companies, finan-

cial intermediaries, corporate service providers, lawyers as well as other IFCs such as the British Virgin Islands ("BVI"), Labuan and Guernsey who are our competitors. The objective of Conference attendance is to gauge the interest of professional service providers, and how potential high net-worth clients can benefit from the solutions offered by each jurisdiction.

Speakers and panelists for the selected topics are professionals, wealth management advisors and lawyers. Amongst experienced speakers was Mr Mark Lea who is the Invest Samoa Advisor and Consultant, presenting on the Samoan solutions, particularly taking a client-centric approach.

Additional to the China Offshore Summit, Invest Samoa was the Bronze and Memory Stick Sponsor of the annual Society of Trusts and Estate and Practitioners (STEP) held in Singapore, November 2017.

Invest Samoa also partially sponsored the participation of two local private lawyers and one local private accountant. The Singapore STEP Conference brings together professionals in wealth structuring and management. There is a desire and need to develop a local professional work force to provide structuring advice based on Samoan wealth management solutions, which will boost the credibility of Samoa as the jurisdiction of choice.

**INVEST SAMOA
CALENDAR OF EVENTS**

- 19th February–2nd March 2018 : Distance Learning Course, Samoa
- 18th April 2018: Invest Samoa International Seminar Presentation, Hong Kong
- 23rd April 2018 Invest Samoa International Seminar Presentation, Singapore
- 22nd - 24th May 2018 China Offshore Summit, Shenzhen
- 13th–15th November 2018 China Offshore Summit, Shanghai
- 20th - 21st November 2018 Society of Trusts and Estate Practitioners (STEP), Hong Kong
- 28th November 2018 Invest Samoa International Seminar Presentation, Dubai

Dates to be confirmed:

- Invest Samoa International Seminar Presentation, Taiwan
- Invest Samoa International Seminar Presentation, China

We are on the web

www.investsamoa.ws

Level 6
Development Bank of Samoa Building
Apia
SAMOA

Phone: +68566400/ +68566412

Fax: +68520880

Email: info@investsamoa.ws

Facebook: facebook.com/investsamoa



China Offshore Summit Shenzhen May 2017



China Offshore Summit Shanghai October 2017

Disclaimer: The Invest Samoa Newsletter is provided for information and your assistance. It is strongly advised that professional advice is sought for any matters pertaining to the above information. Please contact us should you require further information.