APPENDICES
## APPENDIX A

### MEMBERSHIP OF SUPRANATIONAL ORGANISATIONS

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*As at 22 April, 2002*

©Stikeman Elliott 2002
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As at 22 April, 2002
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APPENDIX B

PROFESSIONAL FIRMS PARTICIPATING IN BENCHMARKING CHARTS

Stikeman Elliott’s London team comprised Richard Hay, Jeffrey Keey, Leigh Nicoll, Robert Reymond and Heather Tibbo.

We gratefully acknowledge the assistance received from leading law firms in the jurisdictions surveyed as part of the benchmarking review. We note that counsel detailed below have reviewed the attached charts. These firms did not review the main report including the case studies. Accordingly, responsibility for errors or omissions, as well as editorial comment, rests with the main authors and contributors. We are grateful for the assistance provided by:

- The Bahamas: Higgs & Johnson, John Delaney
- Bermuda: Appleby Spurling & Kempe, Alison MacKrill
- British Virgin Islands: Harney Westwood & Riegs, Richard Peters
- Canada: Stikeman Elliott, Toronto, Philip Henderson
- Cayman Islands: Maples & Calder, Anthony Travers
- England & Wales/UK re: corporations and limited partnerships: Stikeman Elliott, London, Jeffrey Keey
- England & Wales re: trusts: Allen & Overy, Ceris Gardner
- Hong Kong: Stikeman Elliott, Hong Kong, Clifford Ng
- Isle of Man: Cains, Andrew Corlett
- Jersey: Ogier & Le Masurier, Steven Meiklejohn
- Luxembourg: Le_Goueff@vocats.com, Stéphan Le Goueff
- New Zealand: John Hart, Barrister
- Singapore: Khattar Wong & Partners, Gurbachan Singh
- Switzerland: Lenz & Staehelin, Richard Pease
- USA: Shutts & Bowen, Stephen Gray
## APPENDIX C
### CORPORATIONS

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*Public company – yes – yes

**Public company – no – no

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CANADA
1 All references are to federal provisions unless otherwise stated.
2 Pursuant to subsection 24(1) of the Canada Business Corporations Act, R.S.C. 1985, as amended ("CBCA"), shares of a corporation must be in registered form. As such, bearer shares are not permitted. However, bearer shares are permitted in Quebec (certificat au porteur) under the Companies Act, R.S.Q., c.C-38, although their use is limited.
3 Paragraph 105(1)(c) of the CBCA indicates that a director of a corporation cannot be a person who is not an individual.
4 All corporations formed pursuant to the CBCA must file an annual return (i.e., Form 22 - Annual Return, CBCA Regulations, Schedule I).
5 In Ontario, corporations whose securities are publicly traded must file audited financial statements with the applicable securities regulatory authorities and also must post their financial statements for public viewing on SEDAR.com (the "System for Electronic Document Retrieval and Analysis"). All companies must file financial statements (not required to be audited) with the applicable income tax authorities.
6 Corporations whose securities are publicly traded are required to have their financial statements audited. Pursuant to subsection 103(1) of the CBCA, shareholders of a private corporation may resolve to not have the corporation's financial statements audited.
7 The directors of a corporation, pursuant to subsection 133(1) of the CBCA, must call an annual meeting of shareholders no later than 15 months after the last preceding annual meeting and no later than 6 months after the end of the corporation's preceding financial year. Solicitation of proxies is mandatory pursuant to s. 143 of the CBCA, unless a corporation has 50 or fewer shareholders and is not a distributing corporation. Pursuant to ss. 57(1) of the CBCA Regulations, a management proxy circular must contain information about the name of each person who, to the knowledge of the directors or officers of the corporation, beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the votes attached to any class of shares entitled to vote in connection with any matters being proposed for consideration at the meeting. Pursuant s. 235 of the CBCA, the Director of the CBCA may inquire into the ownership and control of a corporation's security in certain circumstances.

ENGLAND & WALES
8 Companies incorporated under the Companies Act 1985, with or without limited liability.
9 Save to the extent the services provided comprise regulated activities for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, in which case the service provider must be authorised by the Financial Services Authority under section 19 of the Financial Services and Markets Act 2000.
10 Section 188 Companies Act 1985 - a company limited by shares may, if authorised by its articles, issue for fully paid shares a share warrant entitling the bearer to the shares specified in it which are transferred by delivery of the warrant.
11 Section 288(2) Companies Act 1985 - corporate directors are permitted, but details of corporate name and registered or principal office must appear in the register of directors required to be maintained by each company. Those details must also be provided within 14 days of appointment to the Registrar of Companies (section 288(2) Companies Act 1985) and are available for public inspection.
12 Sections 393(1) and 709 Companies Act 1985 - every company is required to make an annual return to Companies House which is available for public inspection. This confirms information including its registered office and place where its shareholding registers are kept, its type and business activities, details (including names and addresses) of its directors, secretary and shareholders and details of its authorised and issued share capital (sections 364 and 364A Companies Act 1985).
13 Section 242 Companies Act 1985 - certain "small" and "medium-sized" companies are eligible for exemption from the requirement to prepare and file with the Registrar of Companies full audited accounts (Chapter II, Part VII Companies Act 1985). Accounts filed with the Registrar of Companies are available for public inspection (section 704, Companies Act 1985). Unlimited companies need not prepare or file accounts if not a subsidiary of, controlled by or a parent of a limited undertaking (section 254, Companies Act 1985).
14 Part VII Companies Act 1985 - all companies are required to have their accounts audited, save for certain small or dormant companies.
15 There is no legal procedure for compelling disclosure of beneficial interests in shares in a private company or in respect of non-voting shares. However, nominee shareholders must be disclosed, pursuant to a requirement that the name and address of, and class and number of shares held by, each member of a company must be maintained in the statutory register of members maintained by each company (section 352, Companies Act 1985) and shown in the
annual return which every company is required to make. In the case of a nominee shareholding of
voting shares in a company incorporated as a public limited company, disclosure of material
interests in shares representing more than 3% of the share capital is required (section 198
Companies Act 1963) and the company may also require the identity of a beneficial owner of its
shares be disclosed (section 212 Companies Act 1985). Nondisclosure can result in freezing of
transfer, voting and distribution rights (section 216 Companies Act 1985).

IRELAND
16 Corporate service providers are not generally regulated, although certain types of service
providers are regulated. These include investment companies, insurance intermediaries and credit
institutions, insurance companies and mortgage providers.
17 Although permitted, bearer shares are unusual—the general view is that private companies
may not issue them without imperiling their private status.
18 Section 176 Companies Act 1963.
19 Sections 125–129 Companies Act 1963—returns must be submitted annually in Companies
Registration Office. Mutual funds are exempt.
20 Every company is obliged to submit an annual return to the Registrar of Companies. The
annual return must have the following annexed: balance sheet; profit and loss account; director’s
report and a copy of the auditor’s report, where the company is audited. However, small private
companies are exempted from the requirement to annex a copy of its profit and loss account and
the director’s report to the return but must provide an abridged balance sheet. A medium sized
company is required to give an abridged balance sheet and short-form profit and loss account.
21 Section 160 Companies Act 1963—all companies, with a de minimis exception for small private
companies, are required to appoint an auditor. Companies are generally obliged by law to submit
their accounts at least once a year for scrutiny by an independent professional auditor. A non­
charitable company can be exempted from the requirement to have an annual audit provided that it
complies with certain conditions which are set out in Part III of the Companies (Amendment) (No. 2)
Act 1999.
22 A list of shareholders must be contained in the annual return. In the case of a nominee
shareholder there are certain disclosure rules concerning beneficial ownership where the beneficial
owner attains a 5% or greater interest in the voting capital in a public company. In the case of
private companies certain interested parties may apply to the court for an order compelling
disclosure of beneficial ownership, but there is no general obligation of disclosure for this type of
compamy.

LUXEMBOURG 1929 HOLDING COMPANY
23 Luxembourg holding companies are usually incorporated as a société anonyme which permits
shareholders to retain a high level of confidentiality through the use of bearer shares. Due to the
overwhelming recourse to the société anonyme form for holding companies, only this form of
incorporation will be discussed herein. A holding company can also be incorporated under the form
of a S.a,r.i., a Senc, an Seca, or a Sc.
24 There is no specific organisation for the regulation of service providers.
25 Once the shares are fully paid up, and provided that there is no provision to the contrary in the
articles of association, the shares of a Luxembourg company may be in bearer form (and so
transferable by the physical transfer of the related certificates).
26 1929 holding companies are obliged to file and publish abridged annual accounts.
27 The commercial company law provides that companies are obliged to use the services of a
"reviseur d’entreprises" (i.e., an independent auditor) for the control of their accounts if two of the
following criteria are met: a total balance sheet is in excess of EUR 2,305,410; the net turnover of
the company exceeds EUR 4,610,820; the number of personal employed full time during the fiscal
year exceeds 50 employees.
28 No disclosure of the beneficial owner to the authorities is required.

NEW ZEALAND
29 The Registrar of Companies is responsible for administration of the Companies Act 1993,
though, there is no regulation of corporate service providers.
30 Section 51 Companies Act 1993.
31 Section 208 and 214 Companies Act 1993. See also the 4th Schedule, Companies Act 1993
"Information to be contained in Annual Return."
32 While there is a requirement to file an annual return with the Registrar of Companies, this only
involves very basic information concerning the identity and addresses of the directors and
shareholders, and the existence of any changes. There is no obligation to file accounts, except in
relation to "non exempt" companies. These are companies which have 25% or more foreign
shareholding as described in footnote 35. In other words, there is both an account filing and audit requirement for such non-exempt companies. Those companies which have taxable income are required to file an abridged summary of income/expenses etc to enable computation of the income tax liability to the tax authorities.

33 Section 196 Companies Act 1993 - an appointment of an auditor is normally required but some companies may unanimously resolve not to appoint an auditor. (This exception does not apply to a subsidiary of a company or body corporate incorporated outside of New Zealand or New Zealand companies owned as to 25% or more by an overseas entity or to "issuers" within the meaning of Section 4 of the Financial Reporting Act 1993.

34 Section 87 Companies Act 1993 - every company must keep a register of its shareholders. Shareholder information must be filed with the Registrar of Companies on an annual basis. There is no requirement to disclose beneficial ownership where parties are holding shares as nominees, except in relation to listed companies.

SWITZERLAND

35 Corporate service providers are not generally regulated, although the Federal Banking Commission acts as the supervisory authority for the entities that are subject to the Federal Law on Banks or that are securities dealers under the Federal Stock Exchange Act. Corporations used as investment vehicles and which do not fall within the above categories are not subject to any specific supervision.

36 Corporations may however be represented by nominee directors. A majority of the directors must be Swiss nationals.

37 No requirement to file accounts with any registry, but banks, deposit-taking finance companies etc must fulfill special filing requirements. Accounts, must however, be filed with the federal tax administration not later than seven months after the end of the company’s accounting period.

38 Auditing is required for Swiss corporations (« Aktiengesellschaft » / « société anonyme »). Auditing is not required for other forms of companies, e.g. limited liability companies (« Gesellschaft mit beschränkter Haftung » / « Société à responsabilité limitée »).

39 The Trade Registry contains no information as to the shareholders / beneficial owners of a corporation. In the case of a limited liability company, the Trade Registry discloses the identity of the holders of the shares in the limited liability company. There is however no requirement that the holder of the share be the ultimate beneficial owner. Should a corporation open a bank account, the bank must comply with the Swiss Know Your Customer rules which imply the identification of the beneficial owner for example whenever the account holder is a company with no commercial activities of its own, i.e. a domiciliary company.

U.S. (DELAWARE)

40 A limited liability company, commonly referred to as an "LLC" is an entity which has characteristics of both a corporation and a partnership. It is similar to a partnership as the LLC is not a separate taxable entity and also like a corporation in that all LLC owners are protected from personal liability for business debts and claims.

41 Corporate service providers/administrators are neither licensed nor regulated.

42 There is no distinction between shareholders and directors since management of the company is vested in the members of the company.

43 LLCs are not required to disclose beneficial ownership. There is no administrative procedure for compelling a nominee to disclose the identity of the beneficial owner.

THE BAHAMAS

44 An international business company (IBC) may only be incorporated by licensed bank and trust companies and licensed financial and corporate service providers. An IBC incorporated by a licensed bank or trust company is regulated by the Inspector of Banks and Trust Companies and an IBC incorporated by a licensed financial and corporate service provider is regulated by the Inspector of Financial and Corporate Services. Furthermore, The Bahamas Compliance Commission, under the Financial Transactions Reporting Act, is responsible for the regulation of financial institutions which includes banks and trust companies licensed under the Banks and Trust Companies Regulation Act 2000.

45 An IBC may issue registered shares but not shares issued to bearer (section 10(a) International Business Companies Act 2000). An IBC shall keep a share register at its registered office which contains such information as the names and addresses of persons who hold registered shares in the company, the number of shares of each class and series of registered shares held by each person and the date the name of each person was entered in the share register.

46 Companies are not required to file accounts with the Companies Registry. However, in the case of a public company, the Registrar may, at any time, request in writing a copy of the annual
financial returns. Furthermore, public companies, banks and insurance companies (subject to de minimis exceptions), must file accounts with the relevant authorities.

47 Public companies are obliged to have accounts audited – sections 123-128 Companies Act 1992. Financial statements of an IBC are not required to be audited unless required by the IBC’s Articles of Association. IBCs are not required to appoint an auditor and members of a private company may resolve not to appoint an auditor (section 130 Companies Act 1992).

48 There is no legal requirement to publicly file the list of shareholders for an IBC. Other companies are required to include a list of shareholders in their annual return. There is no legal procedure for compelling a nominee holding shares in any company to disclose identity of the beneficial owner except where money laundering is suspected. A company licensed under the Financial and Corporate Service Providers Act 2000 (“FCSPA”) must keep a record in respect of each client, including the name and address of the beneficial owners of all IBCs incorporated and or existing under the International Business Companies Act 2000 (section 14(3) FCSPA).

BERMUDA

49 Service providers are regulated by the Bermuda Monetary Authority and the Bermuda Registrar of Companies.

50 However, exempted companies must provide an annual Declaration of Business confirming the assessable capital and business of that company.

51 However, insurance companies are required to file audited financials and a financial return annually with the Bermuda Monetary Authority.

52 Companies are required to appoint auditors and accountants, but the appointment of an auditor and the laying of audited financial statements before a company in general meeting can be waived. However, if the production of audited financial statements is waived, a company must still maintain accounts sufficient for the directors and resident representative of that company to ascertain with reasonable accuracy the financial position of a company in any 3 month period.

53 Every company is required to keep a register of its shareholders which is open to inspection by the public. Every person that intends to hold 5% or more of the authorised share capital of a company must provide certain further information to the Bermuda Monetary Authority, whose consent is required to issue or transfer shares to any person who will hold 5% or more of a company’s authorised share capital. There is no disclosure of the beneficial ownership of a proposed shareholder of a Bermuda company in the case of companies whose shares are listed on an Appointed Stock Exchange (as are prescribed by the Minister of Finance). Nominee shares are permitted however disclosure of the beneficial owner to the Bermuda Monetary Authority is required on a confidential basis, however the Bermuda Monetary Authority and, in the case of insurance companies, the Insurance Division of the Registrar of Companies may disclose information to a regulator with similar responsibilities if there is reciprocity.

BRITISH VIRGIN ISLANDS

54 In January 2002, the government established the Financial Services Commission, an independent body which is responsible for supervision of corporate service providers. However, the Financial Services Commission is not yet responsible for regulating investment business.

55 Government has made a public commitment to amend the International Business Companies (IBC) Act to “immobilize” bearer shares. The process of immobilization is under consideration. Bearer shares are not permitted for companies carrying on certain regulated activities in the BVI.

56 Non-BVI corporate directors are not permitted for managers or administrators licensed under the Mutual Funds Act, 1996.

57 Public companies incorporated under the Companies Act must submit an annual audited balance sheet to the Registrar of Companies, banks, trust companies and management companies must submit annual audited accounts to the Head of Banking and Fiduciary at the Financial Services Commission; public funds registered under the Mutual Funds Act 1996 must keep annual audited financial statements and insurance companies must submit to the Insurance Supervisor annual audited accounts. Government has made a public commitment to amend the IBC Act to require names and addresses of directors of IBCs to be filed at the Registry of Companies.

58 Public companies under the local Companies Act must file audited financial statements with the Registrar of Companies. Private companies are not required to file accounts of any type with the Registrar of Companies. However, companies incorporated under the local Companies Act must file an income tax return which would almost always be supported by financial statements.

59 Public companies, banks and trust companies, insurance companies, public mutual funds and company management companies and mutual funds managers and administrators are required to appoint auditors. Public companies must file an auditor’s report on annual accounts.
60 On establishment the Memorandum of Association which includes names, addresses and descriptions of subscribers must be delivered to the Registrar of Companies. Local companies are required to submit shareholder information in their annual return. Discovery of the identity of the beneficial owner of a nominee shareholding is achieved by application of evidence rules generally in criminal and civil matters. The Anti-Money Laundering Code of Practice requires registered agents of IBCs to maintain records of identity in respect of new clients, except in circumstances where the client has been introduced by a similarly regulated entity from another jurisdiction. These records need not be retained in the BVI as long as they are available on request of the registered agent.

CAYMAN ISLANDS
61 Service Providers are regulated by the Cayman Monetary Authority.
62 Bearer shares are not permitted unless they are subject to custodial arrangements with a recognised international custodian or licensed Cayman Islands entity.
63 An annual return must be filed for every company with the Registrar of Companies in prescribed form.
64 Regulated entities must file accounts. No requirement to file accounts with the Registrar of Companies but banks, trust companies, mutual funds, mutual funds administrators, insurance companies and company management companies must prepare and file audited financial statements and reports in accordance with the relevant laws and any special terms and conditions imposed by the Cayman Islands Monetary Authority at the time of the granting of each individual licence. Financial statements must be maintained by all companies but only the entities designated must file audited financial statements with the Cayman Island Monetary Authority.
65 Company financial statements must be prepared but need not be audited.
66 On incorporation the Memorandum of Association which includes the names and addresses of subscribers must be delivered to the Registrar of Companies. The records are not available for public inspection. The Money Laundering Regulations and Guidance Notes contain specific provisions dealing with the obligation of any financial service provider to obtain specified details on the beneficial owners. This information is available to the Cayman Island Monetary Authority.

HONG KONG
67 However, banks, restricted licensed banks and deposit-taking companies are regulated by the Hong Kong Monetary Authority and securities dealers, investment advisors, commodity dealers and securities margin financiers, together with investment products are regulated by the Securities and Futures Commission.
68 A company may issue warrants to bearer if so authorised by its articles.
69 However, corporate directors are not permitted in the case of a public company or a private company which is a member of a group of companies including a listed company.
70 Submitted annually to the Registrar of Companies.
71 Public companies are required to file financial accounts with the Companies Registrar (as part of the company's annual information return) and with the Inland Revenue Department (as part of the company's profit tax return). Private companies are not required to file financial accounts with the Companies Registrar but are required to file financial accounts with the Inland Revenue Department (as part of the company's profit tax return).
72 All companies are required to have their financial statements audited by a certified public accounting firm in Hong Kong.
73 The registers of members of both public and private companies are available for inspection by members and any other person at the registered office of the company. The register shows the registered owner, not the beneficial owner. There is no legal procedure for compelling a nominee holding shares in a private company to disclose the identity of the beneficial owner. For listed companies, disclosure is required if the beneficial owner is a director of the company or a substantial shareholder. There is no specific provision in any other legislation regarding identifying the beneficial owner of shares but the courts have a general power to make orders against a person in a specific case and there are investigativer orders that may be granted by a court in the case of the investigation of organised and serious crime.

ISLE OF MAN
74 Under the Corporate Service Providers Act 2000, only those licensed as corporate service providers (CSPs) by the Financial Supervision Commission are now permitted to incorporate and administer companies. The Commission is also responsible for the regulation and supervision of CSPs.
75 Warrants to bearer are permitted but as part of the Isle of Man's OECD commitment the legislation permitting warrants to bearer will be repealed.
Only public companies are required to deliver accounts to the Companies Registry. However, as part of the Isle of Man's OECD commitment, a company will either have to file accounts with the taxation authorities or prepare audited accounts which must be available for production to the taxation authorities on request.

An audit is required unless the company is private and is either dormant or tax exempt pursuant to, principally, the Income Tax (Exempt Companies) Act 1984 and all its members have passed a resolution to dispense with the appointment of an auditor. This audit exemption is currently under review as part of the Isle of Man's OECD commitment.

The name and address of, and class and number of shares held by each member of a limited company must be shown in the annual return. The beneficial owners of companies are required to be known to and verified by the relevant corporate service provider and available on request to the Commission as part of its compliance procedures function or be produced to third parties by court order.

**JERSEY**

Service providers are regulated by the Jersey Financial Services Commission.

**SINGAPORE**

There is no specific organisation which regulates corporate service providers in their capacity as such. However, corporate service providers (lawyers and accountants) are regulated by their respective professional bodies. The Monetary Authority of Singapore supervises the banking, insurance, securities and futures industries.

Annual accounts must be filed with the Registry of Companies and Business. However, "private exempt companies", which are defined as a company, with less than 20 shareholders all of whom are individuals are permitted to file a directors' report and accounts with the registrar.

The name, and address of, and class and number of shares held by, each member of a limited company must be shown in the annual return. No administrative procedure exists for compelling a nominee holding shares in a private company (or non-voting shares in a publicly listed company) to disclose the identity of the beneficial owner. A substantial shareholder has the obligation to state whether he holds voting shares as beneficial owner or otherwise.

As at 24 June 2002
Stikeman Elliot 2002
## APPENDIX D

### TRUSTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Licensed Trusts</th>
<th>Or Regulated</th>
<th>Central Registry For Constituting Documents</th>
<th>Requirement To File Financial Statements</th>
<th>Requirement To Audit Financial Statements</th>
<th>Settlor And Beneficiary Information Available Or Filed</th>
<th>Exchange Of Information — Member Of The Egmont Group</th>
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</tbody>
</table>
1 Is can be elicited through an administrative as opposed to judicial process

CANADA
3 The LTCA does not contain any requirement to file settlor and beneficiary information with the Superintendent (who is appointed under the Financial Services Commission of Ontario Act, 1997). However, the Proceeds of Crime (Money Laundering) Act, 1981, c. 26, establishes strict record-keeping requirements including for banks and trust corporations and the identity of potential clients. New record-keeping requirements are expected to be implemented in 2002 pursuant to the regulations under the new legislation entitled the Proceeds of Crime (Money Laundering) Act and Terrorist Financing Act, 2000, c. 17.

ENGLAND & WALES
4 Trust companies (which must be distinguished from “trust corporations” which have a statutory definition and are required to comply with specific statutory conditions) are not regulated (other than having to comply with the Companies Act or Charities Acts (if appropriate)). The Financial Services and Markets Act 2000 (the “Act”) will apply if such a company is concerned with making or trading in investments or giving investment advice. However, subject to any contrary indication in the trust instrument, trustees have statutory powers to invest funds as if they were absolutely entitled to the trust assets and thus should not be within the terms of the Act.
5 There is no central registry for trusts although certain information must be provided to Companies House and to the Charity Commission in respect of charitable trusts.
6 Other than the submission of annual tax returns to the Inland Revenue, there is no requirement for trustees to file financial statements. Subject to certain exceptions, charities are required to file their annual accounts with the Charity Commission.
7 There is no requirement to audit financial statements, save that charities with an annual income of at least £250,000 are obliged to have their accounts audited.
8 On the creation of a trust, trustees are required to submit a Form 41G (Trust) to the Inland Revenue which requires information about the trustees, the settlor and the assets settled. Certain other events, depending on the type of trust, will also prompt a requirement for further forms to be completed. Money laundering laws apply to trustees and advisers. The laws require client identification procedures to be adopted and information retained on file.

IRELAND
9 Trust companies are regulated by the Central Bank of Ireland only in the context of mutual funds.
10 The trustees of private trusts do not have to identify the settlors and all the beneficiaries of either existing or new trusts. Any relevant information is kept by the trustees on file as there is no regulatory register.

NEW ZEALAND
11 There is no regulation of trust companies, although there is regulation in relation to trusteeship of deceased estates and the performance of a “statutory supervisor” function under the Securities Act 1978 which broadly relates to trusteeship/supervision of publicly offered securities.
12 Pursuant to the Financial Transactions Reporting Act 1990, financial institutions, which include any person “whose business consists of acting as trustee in respect of funds of other persons” have imposed on them obligations, which include the verification of the identity of persons. There is no disclosure or central filing obligation as such; just a requirement to make inquiries and hold materials on file.

SWITZERLAND
13 A Swiss trustee qualifies as a financial intermediary under the Swiss Money Laundering Act (“MLA”) and is subject to the applicable supervision (official authority or self-regulating body). Information about the settlor and beneficiary must be known by the trustees and kept on file pursuant to the MLA, however this does not need to be filed with any central registry nor is it publicly available. However, should the trustee open a bank account, the bank will be obliged to identify the settlor and beneficial owner under the applicable know your customer rules.

U.S. (DELAWARE)
14 There is no requirement that a trustee be licensed and there is no regulation as such (individuals can be trustees). The trustee must have a Delaware address.
15 Business trusts have the opportunity to register a certificate of trust, but it is not required.
16 The identities of the settlor and beneficiaries need not be disclosed.
THE BAHAMAS
17 Trust companies conducting business in The Bahamas have been required to be licensed since 1962. The Banks and Trust Companies Regulation Act, 2000 (“BTCRA”) expands these provisions.
18 Section 94 of the Trustee Act provides that “Notwithstanding any provisions of the Registration of Records Act, any deed creating a trust, all deeds of appointment made pursuant to the terms of a trust and all other deeds (but not including conveyances of Bahamian real property or personally) executed by the trustees, settlors, beneficiaries or protectors of a trust pursuant to the powers and discretions specified in the trust instrument, are exempt from registration under the provisions of the Registration of Records Act.”
19 Pursuant to the Financial Transactions Reporting Act, 2000 (“FTRA”) and the Financial Transactions Reporting Regulations, 2000 (“FTRR”), a financial institution (inclusive of a bank or trust company licensed under the BTCRA) is required to verify the identity of both existing and new facility holders (including the beneficial owner of the facility (if different from the facility holder)). In the case of a trust, the settlor’s identity must be verified as a facility holder. A financial institution is also required to verify the identity of beneficiaries of a trust with a vested interest. There is no requirement to verify the identity of potential beneficiaries (persons who do not have a vested interest). Identification verification information must be retained by a financial institution for a minimum period of 5 years after the end of the relationship with a facility holder (section 24 FTRA).

BERMUDA
20 The Trusts (Regulation of Trust Business) Act 2001 requires that persons carrying on trust business in or from within Bermuda are licensed undertakings. Private trust companies which have been incorporated specifically to act as trustees for private family trusts or a group of related trusts are not regulated by the Act.
21 Trustees are regulated under two separate areas of legislation: the proceeds of crime legislation (The Proceeds of Crime Act 1997, the Proceeds of Crime (Money Laundering) Regulations 1998 and the Guidance Notes on the Prevention of Money Laundering) and the trusts regulation legislation (the Trusts (Regulation of Trust Business) Act 2001 (now in force) and the Statement of Principles and Code of Practice thereunder (expected to be in force later 2002)).
Under the former, verification of the settlor and, where appropriate, the principal beneficiaries, is required. This information is held on file. Although there were grandfathering provisions, any addition to the trust fund will trigger the verification procedure so in most cases verification has occurred even if the trust was an existing trust in 1997. Under the latter, the Code provides that the trustees must be able to satisfy the proceeds of crime legislation and, in addition, they are required to have adequate information relating to the beneficiaries (identity and their needs) so that the trustees are in a position to carry out their responsibilities and fiduciary obligations.

BRITISH VIRGIN ISLANDS
22 The Banks and Trust Companies Act, 1990 requires all trust companies (no matter where they are incorporated) which carry on “trust business” within the BVI and all BVI-incorporated companies carrying on trust business (whether in the Territory or outside the Territory) to be licensed under that Act. Foreign incorporated trust companies operating in the BVI, which are in the business of providing trustee or other specified services must also be licensed under the Banks and Trust Companies Act 1990.
23 The Trustee (Amendment) Act 1993 exempts all deeds creating trusts, all deeds of appointment pursuant to the terms of a trust and all other deeds executed by trustees, settlers and beneficiaries pursuant to the powers and discretions in the instrument creating the trust, from registration and filing save for trust deeds relating to unit trusts which are public funds under the Mutual Funds Act, 1993.
24 Records of identity of new clients must be maintained by registered agents and other registered entities pursuant to the Anti-Money Laundering Code of Practice, save where the client has been introduced by a similarly regulated entity in another jurisdiction. Provided that the BVI trustee is satisfied the records are maintained and are readily accessible, there is no requirement for them to be kept within the BVI. Thus the BVI trustee will have information about the settlor available on file. Information about the beneficiaries is not required by statute, but for best practice, BVI trustees should maintain this.

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CAYMAN ISLANDS
25 All companies acting as trustees must be licensed and regulated under The Banks and Trust Companies Law.
26 There are no public filing requirements for inter vivos trusts, unless the trust is to be registered as an exempted trust.
27 As a matter of trust law the trustees are under an obligation to know the identities of the settlor and beneficiaries. Furthermore, verification of the identity of the settlor and all due diligence with regard to source of funds is required by the Money Laundering Regulations (and as further detailed in the guidance notes), which are of necessary application to all licensed trust companies in the Cayman Islands.

HONG KONG
28 A Hong Kong incorporated company may apply to be registered as a trust company by the Registrar of Companies under the Trustee Ordinance (Section 77(1)). Registered trust companies and trustees are subject to the provisions of the Trustee Ordinance. A company that is not registered as a trust company can act as trustee and may not be subject to regulation (unless it is regulated as a bank, insurance company, securities dealer, etc. under another law). However, a company cannot act as executor of a will, apply for probate or letters of administration, nor be appointed by a court as a trustee, unless it is registered as a trust company.
29 Trustees of private trusts do not have to identify the settlor (absent a court order) pursuant to any statutory provisions. However, as a matter of trust law the trustees will need to identify the settlor and beneficiaries. The information would be kept only on the trustee's file.

ISLE OF MAN
30 Providers of administration services to companies are regulated under the Corporate Service Providers Act 2000. There is no equivalent legislation for trustees, although the Isle of Man Government has announced its intention to introduce such legislation in the short term.
31 There is no central registry for constituting documents, but charitable purpose trusts are required under the Charities Registration Act 1989 to register with the Charities Registry.
32 There is no requirement to file financial statements, save that charitable purpose trusts are required to file audited financial statements.
33 There is no requirement to audit financial statements, save that charitable purpose trusts are required to file audited financial statements.
34 Under the anti-money laundering know your customer requirements, a trustee must know and verify the identities of the real settlor, the protector (if any) and to the extent possible under the form of trust, the beneficiaries. In addition, the trustee has to satisfy himself as to the source of funds forming the corpus of the trust and the underlying identity of all those who have remitted such funds.

JERSEY
35 The Financial Services (Jersey) Law 1908 regulates the carrying on of "trust company business" both in or from within the Island and if carried out by a company incorporated in the Island, anywhere in the world.
36 A Jersey trustee of a Jersey law trust will know the identities of the settlor and beneficiaries of the trust.

SINGAPORE
37 Service providers are regulated pursuant to the Trust Companies Act (1985).
38 Private trusts are not required to be registered. The Charities Act provides for mandatory registration with the Commissioner of Charities of charitable trusts established in Singapore.
39 Apart from income tax returns on distributions of income or deemed income and company law requirements as to substantial shareholders, there is no requirement by the trustees to register or file information on the settlor or beneficiaries of a trust. In addition, at present, trustees of private trusts do not have to identify the settlors and all the beneficiaries of both existing and new trusts under any statute. As a matter of general trust law however, the trustee will have to identify the settlor and beneficiaries.

As at 18 June 2002
Stikeman Elliott 2002
## APPENDIX E
### LIMITED PARTNERSHIPS

<table>
<thead>
<tr>
<th>Country</th>
<th>Registration of Partnership on Establishment</th>
<th>Requirement for Local Partner</th>
<th>Requirement for Registered Office in Jurisdiction</th>
<th>Annual Reporting</th>
<th>Filing of Accounts in Central Registry</th>
<th>Auditing of Accounts</th>
<th>Filing of Beneficial Information</th>
<th>Information Exchange (Eigement Group Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E.S.C Countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada (Ontario)</td>
<td>Yes1</td>
<td>No</td>
<td>No1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>Ireland</td>
<td>Yes1</td>
<td>No</td>
<td>Yes1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Yes1</td>
<td>No</td>
<td>No1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Yes1</td>
<td>Generally not required</td>
<td>Yes</td>
<td>No</td>
<td>Re2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>Switzerland</td>
<td>The legal form of a limited partnership is available but very rarely used.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom10</td>
<td>Yes2</td>
<td>No</td>
<td>Yes2</td>
<td>No</td>
<td>Re2</td>
<td>No</td>
<td>Only for public limited partnerships</td>
<td>General partner – yes limited partner – no26</td>
</tr>
<tr>
<td>U.S. (Delaware)</td>
<td>Yes2</td>
<td>Yes</td>
<td>Yes2</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Only for public limited partnerships</td>
<td>General partner – yes limited partner – no26</td>
</tr>
<tr>
<td>Non-H.E.S.C Countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Bahamas (Exempted Limited Partnership)</td>
<td>Yes2</td>
<td>No</td>
<td>Yes2</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>General partner – yes limited partner – no23</td>
<td>Yes</td>
</tr>
<tr>
<td>Bermuda</td>
<td>Yes1</td>
<td>No1</td>
<td>Yes1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>General partner – yes limited partner – no27</td>
<td>Yes</td>
</tr>
<tr>
<td>British Virgin Islands (International Limited Partnership)</td>
<td>Yes2</td>
<td>No1</td>
<td>Yes1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>General partner – yes limited partner – no25</td>
<td>Yes</td>
</tr>
<tr>
<td>Cayman Islands (Exempted Limited Partnership)</td>
<td>Yes2</td>
<td>No1</td>
<td>Yes1</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>General partner – yes limited partner – no25</td>
<td>Yes</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Yes2</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>Isle of Man</td>
<td>Yes2</td>
<td>No</td>
<td>Yes2</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>Yes2</td>
<td>Yes</td>
</tr>
<tr>
<td>Jersey</td>
<td>Yes2</td>
<td>Generally not required</td>
<td>Yes2</td>
<td>No</td>
<td>No2</td>
<td>No</td>
<td>General partner – yes limited partner – no23</td>
<td>Yes</td>
</tr>
<tr>
<td>Singapore</td>
<td>Limited partnership not available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For the purposes of this exercise, only limited partnerships have been reviewed. This does not include limited liability partnerships.

**CANADA (ONTARIO)**
1. Under the *Limited Partnership Act* (Ontario) ("LPA"), R.S.O. 1990, c. L-16, as amended, and regulations made under the LPA ("LPA Regulations"), a written declaration signed by all of the general partners must be filed with the registrar appointed under the *Business Names Act*, R.S.O. 1990, c. B-17 ("BNA"). The general partner will be deemed to be carrying on business in Ontario through the limited partnership. Pursuant to the LPA Regulations, included among the prescribed information to be filed with the registrar is a statement of a partner’s contribution to the limited partnership and the general nature of the business. A record of limited partners, pursuant to ss. 4(1) of the LPA, must be kept at the limited partnership’s principal place of business in Ontario. No person associated in a limited partnership may carry on business or identify himself or herself to the public unless the name of the partnership has been registered by all partners or by a designated partner under the LPA.
2. However, pursuant to subsection 33(1) of the LPA, every limited partnership shall keep certain information at its principal place of business in Ontario, including a copy of the partnership agreement, a copy of the declaration and a copy of each declaration of change amending the declaration. Pursuant to subsection 33(2) of the LPA, where an extra-provincial limited partnership ("EPLP") does not have a principal place of business in Ontario, the documents referred to in the foregoing sentence shall be kept by the EPLP’s attorney and representative in Ontario.
3. Financial statements of the limited partnership are not required to be filed with the registrar. However, such information is required to be submitted to the applicable income tax authorities.
4. Although a limited partnership’s financial information would normally be audited, the general partner’s financials might be.
5. Ownership information of a limited partnership must be filed with the registrar pursuant to the regulations made under the LPA. Pursuant to subsection 19(2) of the LPA, a declaration of change must be filed for the admission of a new general partner, but not for a new limited partner (also see section 17 of the LPA). As stated above, however, a record of limited partners must be kept at the limited partnership’s principal place of business in Ontario.

**IRELAND**
6. Section 5 of the Limited Partnership Act 1907 – a statement signed by all the partners which includes the full name of the partners must be sent to the Registrar of Companies.
7. Section 6 Limited Partnership Act 1907 – principal place of business must be in the Republic of Ireland.
8. It is not necessary to file financial accounts as at least one general partner has unlimited liability for the liabilities of the partnership. However, if all of the partners effectively have limited liability, then regulation 6 of the European Community (Accounts) Regulation 1993 applies and accounts must be filed. Furthermore, a limited partnership is required to file tax returns with the Irish Revenue Commissioners and the Revenue Commissioners look for financial statements to support tax computations.
9. However, with regards to Investment Limited Partnerships, the Central Bank is the regulator and may require audits of the partnership.
10. Registration of Business Names Act 1963 - a full list of partners must be filed with the Registrar of Companies on establishment and when changes occur.

**LUXEMBOURG**
11. We have reviewed the ordinary limited partnership (i.e., *Société en Commandite Simple*).
12. Except for limited partnerships where all their general partners are financing companies.
13. The commercial company law provides that companies are obliged to use the services of a *réviseur d’entreprises* (i.e., an independent auditor) for the control of their accounts if two of the following criteria are met: a total balance sheet is in excess of EUR 2,305,410; the net turnover of the company exceeds EUR 4,610,820; the number of personal employed full time during the fiscal year exceeds 50 employees.
14. The commercial company law provides that a limited partnership must be formed under a business name which must comprise the name of one or more general partners. In addition, general partners’ names must be filed on establishment and when changes occur. There are no such requirements for limited partners.
NEW ZEALAND (SPECIAL PARTNERSHIP)
15 Section 50 Partnership Act 1908 - "[a] partnership may consist of general partners, who shall be jointly and severally responsible as general partners ... [and] special [limited] partners, who shall contribute to the common stock specific sums in money as capital, beyond which they shall not be responsible for any debt of the partnership" except in certain cases.
16 Section 51 Partnership Act 1908 - all the partners must sign a certificate containing the information set out in Section 51 which includes the names and addresses of all the partners. This certificate must be acknowledged by each partner before a Justice of the Peace and registered in the office of the High Court of New Zealand (Section 54).
17 Limited partnerships are not required to file financial accounts with any central registry. However, the income of a partnership and the partners' shares in the partnership are disclosed to the Commissioner of Inland Revenue in a joint return. This information is confidential to the Commissioner. Partners' names and home addresses are filed at the High Court Registry on formation. It is common practice for changes of limited partners to be dealt with by way of contract, utilising a so-called "deed of accession". There is no strict statutory requirement for such changes of ownership to be recorded in the High Court, although this would usually occur at the time of renewal of a special partnership after the expiry of its initial term (which has a maximum term of 7 years). Accordingly, the public record may not be current in identifying beneficial owners.

UNITED KINGDOM
19 Limited partnerships formed under the Limited Partnership Act 1807 (the "LPA") but not limited liability partnerships formed under the Limited Liability Partnership Act 2000.
20 Section 8 of the LPA - a statement as to the firm's name, business, principal place of business, partners, terms and date of commencement and contribution of the limited partners must be filed with the Registrar of Companies in that part of the U.K. in which the firm's principal place of business is situated. Failure renders the firm a general partnership (section 5 of the LPA). Statements so filed are available for public inspection (section 16 of the LPA).
21 Section 8 of the LPA - the principal place of business must be situated or proposed to be situated in the United Kingdom.
22 However, when the firm is within the scope of the Partnerships and Unlimited (Accounts) Regulations 1993 because each of its members is a limited company or an unlimited company, or a Scotia firm, each of whose members is a limited company (wherever those entities are formed) the local corporate partner must under those Regulations append the partnership return to its own return—unless the firm is consolidated in group accounts prepared by an EU member state member (or parent of such member).
23 Sections 8 and 9 of the LPA - all of the partners' names, the contributions of limited partners and whether in cash or otherwise must be filed with the relevant Registrar of Companies on establishment of the partnership and within 7 days of any changes.

U.S. (DELAWARE)
24 A certificate of limited partnership must be filed with the Delaware Secretary of State.
25 There is a requirement of a local registered agent. There is no requirement of a local place of business.
26 For all limited partnerships, the certificate of partnership, which lists the general partners only, is a public record. The identities of limited partners are not disclosed or public.

THE BAHAMAS (EXEMPTED LIMITED PARTNERSHIP)
27 Section 9, Exempted Limited Partnerships Act 1995 (the "ELPA") - a statement signed by or on behalf of the general partners which includes the general nature of the business, the address in The Bahamas of the registered office of the exempted limited partnership and the full name and address of each of the general partners must be filed with the Registrar of Exempted Limited Partnerships.
28 At least one general partner must be a Bahamian resident, an international business company existing under the International Business Companies Act 2000, a company incorporated under the Companies Act 1992 or a foreign company registered in The Bahamas under the Companies Act 1992. Section 6(4) of the ELPA - exempted limited partnerships must have a registered office in The Bahamas for the service of process and delivery of notices and other communications.
30 Section 19(1) of the ELPA - an exempted limited partnership is required to file an annual return with the Companies Registry. Section 10(1) of the ELPA - additionally, any changes in the registered
particulars of the statement of the exempted limited partnership must also be filed at the Companies Registry.
31 The names and addresses of each general partner must be filed with the Registrar on establishment of the partnership and the information must be updated if any changes occur. Further, pursuant to section 14(3) of the Financial and Corporate Service Providers Act 2000 (the "FCSPA"), a company licensed under the FCSPA should keep a record in respect of each client, including the name and address of all partners registered under the ELPA.

BERMUDA (EXEMPTED LIMITED PARTNERSHIP)
32 Certificate of Particulars of Limited Partnership, Certificate of Particulars of Exempted Partnership (together with fully executed partnership articles, must be filed with the Registrar of Companies. (n.b. when articles of partnership are amended the revised articles are not required to be registered.)
33 However, section 17 of the Exempted Partnerships Act 1992 (as amended 1999) (the "EPA") - an exempted partnership shall maintain a resident representative in Bermuda, this person is frequently provided by the local service providers but also a Bermuda exempted company that has appropriate objects can act as Resident Representative.
34 Section 10(10) of the EPA.
35 Section 12(1) of the EPA - the partnership must send to the Registrar a declaration stating the general nature of the business transacted by the exempted partnership each year.
36 Section 16 of the EPA - if in respect of a particular interval all the partners including limited partners agree in writing that no financial statements or auditors report needs to be prepared, there is no obligation to cause a financial statement or auditor's report to be prepared for that interval.
37 During the course of application for consent for an Exempted Partnership details of the beneficial ownership of the General Partners must be disclosed to the Bermuda Monetary Authority - this information is not available to the public. The Certificate of Particulars of Exempted Partnership must include the name and address of the General Partner - section 5 of the EPA. In the case of a Limited Partnership the register of limited partners must be maintained at the Registered Office of the Partnership and is available to be inspected by the public - section 7 and 8 of the Limited Partnership Act 1883.

BRITISH VIRGIN ISLANDS (INTERNATIONAL LIMITED PARTNERSHIP)
38 A memorandum which includes the names of all general partners must be submitted to the Registrar for registration. (The articles only have to be submitted to the registered agent of the limited partnership.)
39 However, must maintain a registered agent in the British Virgin Islands.
40 Section 82 The Partnership Act 1996.
41 Not required unless it is a public fund registered under the Mutual Funds Act 1995, in which case annual audited financial statements must be kept available for examination by the Registrar of Mutual Funds and all investors of the public fund at the fund's place of business or registered office in the British Virgin Islands. Managers and administrators of mutual funds are also required to appoint an auditor.
42 See footnote 40 above.
43 A memorandum which includes the names of all general partners is required to be filed at the Registry on establishment. An amendment to this memorandum is necessary to affect the admission of additional general partners. Additional limited partners are admitted by making an amendment to the articles which need not be filed at the Registry. The Anti-Money Laundering Code of Practice requires service providers to maintain records of identity in respect of new clients except in circumstances where the client has been introduced by a similarly regulated entity from another jurisdiction. These records need not be in the BVI as long as they are accessible and the service provider is satisfied that they are being maintained.

CAYMAN ISLANDS (EXEMPTED LIMITED PARTNERSHIP)
44 Section 9(1) The Exempted Limited Partnership Law (2001 Revision) (the "ELPL") - An exempted limited partnership must be registered with the Registrar of Exempted Limited Partnerships. It comes into existence on completion of the partnership document but does not obtain the benefit of limited liability until registered.
45 At least one general partner must be an individual resident in the Cayman Islands or a company registered under the Companies Law or registered under Part IX of the Companies Law or a partnership registered under the ELPL.
Section 6(4) of ELPL.

Section 19 of the ELPL - an exempted partnership must file with the registrar each year a return certifying that the exempted partnership has complied with section 10(1) (notification of any changes) and there has been no breach of the declaration under section 9(1) (not undertake business with the public in the Island).

Partner information which must be filed is set out in some detail in section 9(1)(d) of the ELPL. Changes in general partners must also be filed under section 10. A Register of Limited Partners is maintained at the registered office and is available for public inspection.

HONG KONG

Section 4 of the Limited Partnerships Ordinance – limited partnerships must be registered with the Companies Registry.

There are no statutory requirements for a registered office in Hong Kong; however, a limited partnership must carry on business in Hong Kong to take advantage of the Limited Partnerships Ordinance.

A limited partnership is not required to file its financial accounts with a central registry. However, a limited partnership must provide supporting information for its profits tax return which is filed with the Inland Revenue Department. The Inland Revenue Department has broad authority to require information to be provided to it by a taxpayer.

On the establishment of a partnership a statement which includes the names of all the partners, including limited partners must be filed with the Registry. Any change to the information in the statement must be filed.

ISLE OF MAN

Section 48(1) of the Partnership Act 1909. The Corporate Service Providers Act 2000 requires that any administration services to a limited partnership is a licensable activity. Under the terms of the corporate service provider regulatory codes and the AML Code, a corporate service provider is required to apply full KYC due diligence on the limited partnership including its constituent parties and partnership assets.

However, there is a requirement for a local partner if a tax exemption is required.

Sub-section 48A(1), The Partnership Act 1909 - Limited partnership must have a place of business on the Isle of Man.

Sub-sections 51(1A) and 51(1B) The Partnership Act 1909 – An annual statement containing the firm name; the general nature of the business; the principal place of business; the name and address of each partner; the name and address of each person who has ceased to be a partner since the last annual statement or, if there has been no previous statement, since the registration of the partnership; and a description of every limited partner or former limited partner.

Filing of accounts not normally required unless the partnership is licensed, e.g. under the Investment Business Act 1991.

The full name of all partners and their home addresses must be filed with the Registry on establishment and when changes occur. In addition see note 52 above for KYC due diligence by the corporate service provider.

JERSEY

Article 4 of the Limited Partnerships (Jersey) Law 1994 - in order to form a limited partnership under the Limited Partnerships (Jersey) Law 1994, a declaration must be filed with the Registrar of Limited Partnerships in Jersey stating the name of the partnership, its registered office in Jersey and details of the general partner, the duration of the partnership and such other particulars as may be prescribed.

Article 8(1) Limited Partnerships (Jersey) Law 1994 - the partnership must have a registered office in Jersey, notice of which (and any change in which) must be given to the Registrar of Limited Partnerships.

There is no requirement for a limited partnership to file its financial accounts with any central registry nor any tax authority.

Article 9(2) Limited Partnerships (Jersey) Law 1994 – Unless the partnership agreement provides otherwise, it is not necessary for a limited partnership to appoint an auditor or have its accounts audited.

Articles 4 and 5 Limited Partnerships (Jersey) Law 1994 - general partners’ names must be filed on establishment and when changes occur. Article 8(4) - a register of limited partners must be held at the registered office but need not be filed.
APPENDIX F
COUNTRIES REVIEWED IN FATF REPORT ON NON-COOPERATIVE COUNTRIES AND TERRITORIES (February 2000)

The countries reviewed were:
- Antigua & Barbuda
- Bahamas
- Belize
- Bermuda
- British Virgin Islands
- Cayman Islands
- Cook Islands
- Cyprus
- Dominica
- Gibraltar
- Guernsey
- The Isle of Man
- Jersey
- Israel
- Lebanon
- Liechtenstein
- Malta
- Marshall Islands
- Mauritius
- Monaco
- Nauru
- Niue
- Panama
- Philippines
- Russia
- Samoa
- St. Kitts and Nevis
- St. Lucia
- St. Vincent and the Grenadines
The countries and territories identified as non-cooperative in the fight against money laundering were:

- Bahamas
- Cayman Islands
- Cook Islands
- Dominica
- Israel
- Lebanon
- Liechtenstein
- Marshall Islands
- Nauru
- Niue
- Panama
- Philippines
- Russia
- St. Kitts and Nevis
- St. Vincent and the Grenadines
APPENDIX G

FATF 40 + 8 RECOMMENDATIONS

GENERAL FRAMEWORK OF THE RECOMMENDATIONS

Recommendation 1
Each country should take immediate steps to ratify and to implement fully, the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention).

Recommendation 2
Financial institution secrecy laws should be conceived so as not to inhibit implementation of these recommendations.

Recommendation 3
An effective money laundering enforcement program should include increased multilateral co-operation and mutual legal assistance in money laundering investigations and prosecutions and extradition in money laundering cases, where possible.

ROLE OF NATIONAL LEGAL SYSTEMS IN COMBATING MONEY LAUNDERING

Scope of the Criminal Offence of Money Laundering

Recommendation 4
Each country should take such measures as may be necessary, including legislative ones, to enable it to criminalise money laundering as set forth in the Vienna Convention. Each country should extend the offence of drug money laundering to one based on serious offences. Each country would determine which serious crimes would be designated as money laundering predicate offences.

Recommendation 5
As provided in the Vienna Convention, the offence of money laundering should apply at least to knowing money laundering activity, including the concept that knowledge may be inferred from objective factual circumstances.

Recommendation 6
Where possible, corporations themselves - not only their employees - should be subject to criminal liability.

Provisional Measures and Confiscation

Recommendation 7
Countries should adopt measures similar to those set forth in the Vienna Convention, as may be necessary, including legislative ones, to enable their competent authorities to confiscate property laundered, proceeds from, instrumentalities used in or intended for
use in the commission of any money laundering offence, or property of corresponding value, without prejudicing the rights of bona fide third parties.

Such measures should include the authority to: 1) identify, trace and evaluate property which is subject to confiscation; 2) carry out provisional measures, such as freezing and seizing, to prevent any dealing, transfer or disposal of such property; and 3) take any appropriate investigative measures.

In addition to confiscation and criminal sanctions, countries also should consider monetary and civil penalties, and/or proceedings including civil proceedings, to void contracts entered into by parties, where parties knew or should have known that as a result of the contract, the State would be prejudiced in its ability to recover financial claims, e.g. through confiscation or collection of fines and penalties.

ROLE OF THE FINANCIAL SYSTEM IN COMBATING MONEY LAUNDERING

Recommendation 8
Recommendations 10 to 29 should apply not only to banks, but also to non-bank financial institutions. Even for those non-bank financial institutions which are not subject to a formal prudential supervisory regime in all countries, for example bureaux de change, governments should ensure that these institutions are subject to the same anti-money laundering laws or regulations as all other financial institutions and that these laws or regulations are implemented effectively.

Recommendation 9
The appropriate national authorities should consider applying Recommendations 10 to 21 and 23 to the conduct of financial activities as a commercial undertaking by businesses or professions which are not financial institutions, where such conduct is allowed or not prohibited. Financial activities include, but are not limited to, those listed in the attached annex. It is left to each country to decide whether special situations should be defined where the application of anti-money laundering measures is not necessary, for example, when a financial activity is carried out on an occasional or limited basis.

Customer Identification and Record-keeping Rules

Recommendation 10
Financial institutions should not keep anonymous accounts or accounts in obviously fictitious names: they should be required (by law, by regulations, by agreements between supervisory authorities and financial institutions or by self-regulatory agreements among financial institutions) to identify, on the basis of an official or other reliable identifying document, and record the identity of their clients, either occasional or usual, when establishing business relations or conducting transactions (in particular opening of accounts or passbooks, entering into fiduciary transactions, renting of safe deposit boxes, performing large cash transactions).

In order to fulfill identification requirements concerning legal entities, financial institutions should, when necessary, take measures:

- to verify the legal existence and structure of the customer by obtaining either from a public register or from the customer or both, proof of incorporation, including
information concerning the customer's name, legal form, address, directors and provisions regulating the power to bind the entity.

- to verify that any person purporting to act on behalf of the customer is so authorised and identify that person.

Recommendation 11
Financial institutions should take reasonable measures to obtain information about the true identity of the persons on whose behalf an account is opened or a transaction conducted if there are any doubts as to whether these clients or customers are acting on their own behalf, for example, in the case of domiciliary companies (i.e. institutions, corporations, foundations, trusts, etc. that do not conduct any commercial or manufacturing business or any other form of commercial operation in the country where their registered office is located).

Recommendation 12
Financial institutions should maintain, for at least five years, all necessary records on transactions, both domestic or international, to enable them to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour.
Financial institutions should keep records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence for at least five years after the account is closed.
These documents should be available to domestic competent authorities in the context of relevant criminal prosecutions and investigations.

Recommendation 13
Countries should pay special attention to money laundering threats inherent in new or developing technologies that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.

Increased Diligence of Financial Institutions

Recommendation 14
Financial institutions should pay special attention to all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. The background and purpose of such transactions should, as far as possible, be examined, the findings established in writing, and be available to help supervisors, auditors and law enforcement agencies.

Recommendation 15
If financial institutions suspect that funds stem from a criminal activity, they should be required to report promptly their suspicions to the competent authorities.
Recommendation 16
Financial institutions, their directors, officers and employees should be protected by legal provisions from criminal or civil liability for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith to the competent authorities, even if they did not know precisely what the underlying criminal activity was, and regardless of whether illegal activity actually occurred.

Recommendation 17
Financial institutions, their directors, officers and employees, should not, or, where appropriate, should not be allowed to, warn their customers when information relating to them is being reported to the competent authorities.

Recommendation 18
Financial institutions reporting their suspicions should comply with instructions from the competent authorities.

Recommendation 19
Financial institutions should develop programs against money laundering. These programs should include, as a minimum:

- the development of internal policies, procedures and controls, including the designation of compliance officers at management level, and adequate screening procedures to ensure high standards when hiring employees;
- an ongoing employee training programme;
- an audit function to test the system.

Measures to Cope with the Problem of Countries with No or Insufficient Anti-Money Laundering Measures

Recommendation 20
Financial institutions should ensure that the principles mentioned above are also applied to branches and majority owned subsidiaries located abroad, especially in countries which do not or insufficiently apply these Recommendations, to the extent that local applicable laws and regulations permit. When local applicable laws and regulations prohibit this implementation, competent authorities in the country of the mother institution should be informed by the financial institutions that they cannot apply these Recommendations.

Recommendation 21
Financial institutions should give special attention to business relations and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply these Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help supervisors, auditors and law enforcement agencies.
Other Measures to Avoid Money Laundering

Recommendation 22
Countries should consider implementing feasible measures to detect or monitor the physical cross-border transportation of cash and bearer negotiable instruments, subject to strict safeguards to ensure proper use of information and without impeding in any way the freedom of capital movements.

Recommendation 23
Countries should consider the feasibility and utility of a system where banks and other financial institutions and intermediaries would report all domestic and international currency transactions above a fixed amount, to a national central agency with a computerized data base, available to competent authorities for use in money laundering cases, subject to strict safeguards to ensure proper use of the information.

Recommendation 24
Countries should further encourage in general the development of modern and secure techniques of money management, including increased use of checks, payment cards, direct deposit of salary checks, and book entry recording of securities, as a means to encourage the replacement of cash transfers.

Recommendation 25
Countries should take notice of the potential for abuse of shell corporations by money launderers and should consider whether additional measures are required to prevent unlawful use of such entities.

Implementation and Role of Regulatory and Other Administrative Authorities

Recommendation 26
The competent authorities supervising banks or other financial institutions or intermediaries, or other competent authorities, should ensure that the supervised institutions have adequate programs to guard against money laundering. These authorities should co-operate and lend expertise spontaneously or on request with other domestic judicial or law enforcement authorities in money laundering investigations and prosecutions.

Recommendation 27
Competent authorities should be designated to ensure an effective implementation of all these Recommendations, through administrative supervision and regulation, in other professions dealing with cash as defined by each country.

Recommendation 28
The competent authorities should establish guidelines which will assist financial institutions in detecting suspicious patterns of behaviour by their customers. It is understood that such guidelines must develop over time, and will never be exhaustive. It
is further understood that such guidelines will primarily serve as an educational tool for financial institutions' personnel.

Recommendation 29
The competent authorities regulating or supervising financial institutions should take the necessary legal or regulatory measures to guard against control or acquisition of a significant participation in financial institutions by criminals or their confederates.

STRENGTHENING OF INTERNATIONAL CO-OPERATION

Administrative Co-operation
Exchange of general information

Recommendation 30
National administrations should consider recording, at least in the aggregate, international flows of cash in whatever currency, so that estimates can be made of cash flows and reflows from various sources abroad, when this is combined with central bank information. Such information should be made available to the International Monetary Fund and the Bank for International Settlements to facilitate international studies.

Recommendation 31
International competent authorities, perhaps Interpol and the World Customs Organisation, should be given responsibility for gathering and disseminating information to competent authorities about the latest developments in money laundering and money laundering techniques. Central banks and bank regulators could do the same on their network. National authorities in various spheres, in consultation with trade associations, could then disseminate this to financial institutions in individual countries.

Exchange of information relating to suspicious transactions

Recommendation 32
Each country should make efforts to improve a spontaneous or "upon request" international information exchange relating to suspicious transactions, persons and corporations involved in those transactions between competent authorities. Strict safeguards should be established to ensure that this exchange of information is consistent with national and international provisions on privacy and data protection.

Other Forms of Co-operation

Basis and means for co-operation in confiscation, mutual assistance and extradition

Recommendation 33
Countries should try to ensure, on a bilateral or multilateral basis, that different knowledge standards in national definitions - i.e. different standards concerning the intentional element of the infraction - do not affect the ability or willingness of countries to provide each other with mutual legal assistance.
Recommendation 34
International co-operation should be supported by a network of bilateral and multilateral agreements and arrangements based on generally shared legal concepts with the aim of providing practical measures to affect the widest possible range of mutual assistance.

Recommendation 35
Countries should be encouraged to ratify and implement relevant international conventions on money laundering such as the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime.

Focus of improved mutual assistance on money laundering issues

Recommendation 36
Co-operative investigations among countries' appropriate competent authorities should be encouraged. One valid and effective investigative technique in this respect is controlled delivery related to assets known or suspected to be the proceeds of crime. Countries are encouraged to support this technique, where possible.

Recommendation 37
There should be procedures for mutual assistance in criminal matters regarding the use of compulsory measures including the production of records by financial institutions and other persons, the search of persons and premises, seizure and obtaining of evidence for use in money laundering investigations and prosecutions and in related actions in foreign jurisdictions.

Recommendation 38
There should be authority to take expeditious action in response to requests by foreign countries to identify, freeze, seize and confiscate proceeds or other property of corresponding value to such proceeds, based on money laundering or the crimes underlying the laundering activity. There should also be arrangements for coordinating seizure and confiscation proceedings which may include the sharing of confiscated assets.

Recommendation 39
To avoid conflicts of jurisdiction, consideration should be given to devising and applying mechanisms for determining the best venue for prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country. Similarly, there should be arrangements for coordinating seizure and confiscation proceedings which may include the sharing of confiscated assets.

Recommendation 40
Countries should have procedures in place to extradite, where possible, individuals charged with a money laundering offence or related offences. With respect to its national legal system, each country should recognise money laundering as an extraditable offence. Subject to their legal frameworks, countries may consider simplifying extradition by allowing direct transmission of extradition requests between appropriate ministries, extraditing persons based only on warrants of arrests or judgements, extraditing their
nationals, and/or introducing a simplified extradition of consenting persons who waive formal extradition proceedings.

Annex to Recommendation 9: List of Financial Activities undertaken by business or professions which are not financial institutions
- Acceptance of deposits and other repayable funds from the public.
- Lending.
- Financial leasing.
- Money transmission services.
- Issuing and managing means of payment (e.g. credit and debit cards, cheques, traveller's cheques and bankers' drafts...)
- Financial guarantees and commitments.
- Trading for account of customers (spot, forward, swaps, futures, options...) in:
  - money market instruments (cheques, bills, CDs, etc.);
  - foreign exchange;
  - exchange, interest rate and index instruments;
  - transferable securities;
  - commodity futures trading.
- Participation in securities issues and the provision of financial services related to such issues.
- Individual and collective portfolio management.
- Safekeeping and administration of cash or liquid securities on behalf of clients.
- Life insurance and other investment related insurance.
- Money changing.

SPECIAL RECOMMENDATIONS ON TERRORIST FINANCING

I. Ratification and implementation of UN instruments
Each country should take immediate steps to ratify and to implement fully the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism. Countries should also immediately implement the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts, particularly United Nations Security Council Resolution 1373.

II. Criminalising the financing of terrorism and associated money laundering
Each country should criminalise the financing of terrorism, terrorist acts and terrorist organisations. Countries should ensure that such offences are designated as money laundering predicate offences.

III. Freezing and confiscating terrorist assets

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843 Including inter alia
- consumer credit
- mortgage credit
- factoring, with or without recourse
- finance of commercial transactions (including forfeiture)
Each country should implement measures to freeze without delay funds or other assets of terrorists, those who finance terrorism and terrorist organisations in accordance with the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts.

Each country should also adopt and implement measures, including legislative ones, which would enable the competent authorities to seize and confiscate property that is the proceeds of, or used in, or intended or allocated for use in, the financing of terrorism, terrorist acts or terrorist organisations.

IV. Reporting suspicious transactions related to terrorism

If financial institutions, or other businesses or entities subject to anti-money laundering obligations, suspect or have reasonable grounds to suspect that funds are linked or related to, or are to be used for terrorism, terrorist acts or by terrorist organisations, they should be required to report promptly their suspicions to the competent authorities.

V. International Co-operation

Each country should afford another country, on the basis of a treaty, arrangement or other mechanism for mutual legal assistance or information exchange, the greatest possible measure of assistance in connection with criminal, civil enforcement, and administrative investigations, inquiries and proceedings relating to the financing of terrorism, terrorist acts and terrorist organisations.

Countries should also take all possible measures to ensure that they do not provide safe havens for individuals charged with the financing of terrorism, terrorist acts or terrorist organisations, and should have procedures in place to extradite, where possible, such individuals.

VI. Alternative remittance

Each country should take measures to ensure that persons or legal entities, including agents, that provide a service for the transmission of money or value, including transmission through an informal money or value transfer system or network, should be licensed or registered and subject to all the FATF Recommendations that apply to banks and non-bank financial institutions. Each country should ensure that persons or legal entities that carry out this service illegally are subject to administrative, civil or criminal sanctions.

VII. Wire transfers

Countries should take measures to require financial institutions, including money remitters, to include accurate and meaningful originator information (name, address and account number) on funds transfers and related messages that are sent, and the information should remain with the transfer or related message through the payment chain.

Countries should take measures to ensure that financial institutions, including money remitters, conduct enhanced scrutiny of and monitor for suspicious activity funds transfers which do not contain complete originator information (name, address and account number).
VIII. **Non-profit organisations**

Countries should review the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism. Non-profit organisations are particularly vulnerable, and countries should ensure that they cannot be misused:

(i) by terrorist organisations posing as legitimate entities;
(ii) to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; and
(iii) to conceal or obscure the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.
APPENDIX H

OECD 19 Recommendations

In total 19 recommendations are put forward to deal with harmful tax practices. They are listed under the following categories:

Recommendations concerning domestic legislation and practices.

1. Controlled Foreign Corporations (CFCs) - Countries that do not have CFC rules consider adopting them.

2. Foreign investment fund or equivalent rules - Countries that do not have such rules adopt them to entities covered by practices considered to be harmful tax competition.

3. Restrictions on participation exemptions and other systems of exempting foreign income in the context of harmful tax competition - Countries that apply the exemption method to eliminate double taxation of foreign source income consider adopting rules that would ensure that foreign income benefiting from harmful tax competition practices does not qualify for the application of the exemption method.

4. Foreign information reporting rules - Countries that do not have rules concerning reporting of international transactions and foreign operations of resident taxpayers consider adopting such rules and that countries exchange information obtained under these rules.

5. Advanced rulings - Countries offering advanced rulings concerning the particular position of a taxpayer make public the conditions for offering or denying such rulings.

6. Transfer-pricing rules - Countries follow the guidelines set out in the OECD 1995 guidelines on transfer pricing and not promote harmful tax competition.

7. Access to banking information for tax purposes - Countries review their laws, regulations and practices which govern the access to banking information with the view to removing impediments to the access to such information by tax authorities.

II. Recommendations concerning tax treaties.

8. Exchanges of information - Countries should undertake programs to intensify exchange of information concerning transactions in tax havens and preferential tax regimes constituting harmful tax competition.

9. Entitlement to treaty benefits - Countries consider including in their tax convention provisions aimed at restricting the entitlement to treaty benefits for entities and income covered by measures constituting harmful tax practices.
10. Clarification of the status of domestic anti-abuse rules and doctrines in tax treaties - That the Commentary on the Model Tax Convention be clarified to remove any ambiguity regarding the compatibility of domestic anti-abuse measures with the Model Tax Convention.

11. List of specific exclusion provisions found in treaties - The Committee should prepare a list of provisions used by countries to exclude from the benefits of tax conventions certain specific entities and types of income.

12. Tax treaties with tax havens - Countries consider terminating their tax conventions with tax havens and consider not entering into tax treaties with such countries in the future.

13. Coordinated enforcement regimes (Joint audits, etc.) - Countries consider undertaking joint enforcement programs such as simultaneous audits and examinations, in relation to income or taxpayers benefiting from practices constituting harmful tax competition.

14. Assistance in recovery of tax claims - Countries should review the current rules applying to the enforcement of tax claims of other countries for the addition to tax conventions.

**Recommendations to intensify international cooperation in response to harmful tax competition.**

15. Guidelines and a forum on harmful tax practices - Member countries endorse the guidelines set out in the following list dealing with harmful preferential tax regimes.

16. Produce a list of tax havens - The Forum mandated to establish within one year of the first meeting of the Forum, a list of tax havens on the basis of factors identified in this report.

17. Links with tax havens - Countries that have links to tax havens ensure that these links do not contribute to harmful tax competition and in particular, that countries with dependencies that are tax havens ensure that the links with these territories are not used to promote or increase harmful tax competition.

18. Develop and promote Principles of Good Tax Administration - The Committee be responsible for developing and promoting a set of principles to guide tax administrations in the enforcement of guidelines in this report.

19. Associating non-member countries with the Recommendations - The Forum engage in dialogue with non-member nations to promote these recommendations.
APPENDIX I

FATF'S POLICY CONCERNING IMPLEMENTATION AND DE-LISTING IN RELATION TO NCCTs

The FATF has articulated the steps that need to be taken by Non-Cooperative Countries or Territories (NCCTs) in order to be removed from the NCCT list. These steps have focused on what precisely should be required by way of implementation of legislative and regulatory reforms made by NCCTs to respond to the deficiencies identified by the FATF in the NCCT reports. This policy concerning implementation and de-listing enables the FATF to achieve equal and objective treatment among NCCT jurisdictions.

In order to be removed from the NCCT list:

1. An NCCT must enact laws and promulgate regulations that comply with international standards to address the deficiencies identified by the NCCT report that formed the basis of the FATF’s decision to place the jurisdiction on the NCCT list in the first instance.

2. The NCCTs that have made substantial reform in their legislation should be requested to submit to the FATF through the applicable regional review group, an implementation plan with targets, milestones, and time frames that will ensure effective implementation of the legislative and regulatory reforms. The NCCT should be asked particularly to address the following important determinants in the FATF’s judgement as to whether it can be de-listed: filing of suspicious activity reports; analysis and follow-up of reports; the conduct of money laundering investigations; examinations of financial institutions (particularly with respect to customer identification); international exchange of information; and the provision of budgetary and human resources.

3. The appropriate regional review groups should examine the implementation plans submitted and prepare a response for submission to the NCCT at an appropriate time. The Chairs of the four review groups (Americas; Asia/Pacific; Europe; Africa and the Middle East) should report regularly on the progress of their work. A meeting of those Chairs, if necessary, to keep consistency among their responses to the NCCTs.

4. The FATF, on the initiative of the applicable review group chair or any member of the review group, should make an on-site visit to the NCCT at an appropriate time to confirm effective implementation of the reforms.

5. The review group chair shall report progress at subsequent meetings of the FATF. When the review groups are satisfied that the NCCT has taken sufficient steps to ensure continued effective implementation of the reforms, they shall recommend to the Plenary the removal of the jurisdiction from the NCCT list. Based on an overall
assessment encompassing the determinants in paragraph 2, the FATF will rely on its collective judgement in taking the decision.

6. Any decision to remove countries from the list should be accompanied by a letter from the FATF President:

(a) clarifying that de-listing does not indicate a perfect anti-money laundering system;
(b) setting out any outstanding concerns regarding the jurisdiction in question;
(c) proposing a monitoring mechanism to be carried out by FATF in consultation with the relevant FATF-style regional body, which would include the submission of regular implementation reports to the relevant review group and a follow-up visit to assess progress in implementing reforms and to ensure that stated goals have, in fact, been fully achieved.
APPENDIX J

GLOBAL ANTI-MONEY-LAUNDERING GUIDELINES FOR PRIVATE BANKING
WOLFSBERG AML PRINCIPLES
(1ST REVISION, MAY 2002)

The following major International Private Banks

ABN AMRO Bank N.V.
Banco Santander Central Hispano
Bank of Tokyo-Mitsubishi Ltd
Barclays Bank
Citigroup
Credit Suisse Group
Deutsche Bank AG
Goldman Sachs
HSBC
J.P. Morgan Private Bank
Société Générale
UBS AG

have agreed to the following principles as important global guidance for sound business conduct in international private banking.

Acknowledgement

The banks collaborated with a team from Transparency International who invited two international experts to participate, Stanley Morris and Prof. Mark Pieth. Transparency International and the experts regard the principles as an important step in the fight against money laundering, corruption and other related serious crimes.

30.10.2000
www.wolfsberg-principles.com

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441 Wolfsberg is the location in Switzerland where an important working session to formulate the guidelines was held.
443 Transparency International (TI) is a Berlin based non-governmental organization, dedicated to increasing government accountability and curbing both international and national corruption. TI is active in more than 70 countries. TI was represented by its founder and Chairman of the Board, Peter Eigen and the Chairman of their US chapter, Fritz Heimann.
444 Stanley E. Morris is an international Consultant on Anti Money Laundering issues. He was head of FinCEN and a member of the Financial Action Task Force on Money Laundering (FATF).
445 Prof. Mark Pieth is a law professor in Basel, Switzerland. He is Chairman of the OECD Working Group on Bribery and Corruption and a former member of the Financial Action Task Force on Money Laundering (FATF).
Preamble
The following guidelines are understood to be appropriate for private banking relationships. Guidelines for other market segments may differ. It is recognized that the establishment of policies and procedures to adhere to these guidelines is the responsibility of management.

1 Client acceptance: general guidelines

1.1 General
Bank policy will be to prevent the use of its worldwide operations for criminal purposes. The bank will endeavour to accept only those clients whose source of wealth and funds can be reasonably established to be legitimate. The primary responsibility for this lies with the private banker who sponsors the client for acceptance. Mere fulfilment of internal review procedures does not relieve the private banker of this basic responsibility.

1.2 Identification
The bank will take reasonable measures to establish the identity of its clients and beneficial owners and will only accept clients when this process has been completed.

1.2.1 Client
- Natural persons: identity will be established to the bank’s satisfaction by reference to official identity papers or such other evidence as may be appropriate under the circumstances.
- Corporations, partnerships, foundations: the bank will receive documentary evidence of the due organization and existence.
- Trusts: the bank will receive appropriate evidence of formation and existence along with identity of the trustees.
- Identification documents must be current at the time of opening.

1.2.2 Beneficial owner
Beneficial ownership must be established for all accounts. Due diligence must be done on all principal beneficial owners identified in accordance with the following principles:
- Natural persons: when the account is in the name of an individual, the private banker must establish whether the client is acting on his/her own behalf. If doubt exists, the bank will establish the capacity in which and on whose behalf the accountholder is acting.
- Legal entities: where the client is a company, such as a private investment company, the private banker will understand the structure of the company sufficiently to determine the provider of funds, principal owner(s) of the shares and those who have control over the funds, e.g. the directors and those with the power to give direction to the directors of the company. With regard to other shareholders the private banker will make a reasonable judgement as to the need for further due diligence. This principle applies regardless of whether the share capital is in registered or bearer form.
- Trusts: where the client is a trustee, the private banker will understand the structure of the trust sufficiently to determine the provider of funds (e.g. settlor) those who have control over the funds (e.g. trustees) and any persons or entities...
who have the power to remove the trustees. The private banker will make a reasonable judgement as to the need for further due diligence.

- Unincorporated associations: the above principles apply to unincorporated associations.
- The bank will not permit the use of its internal non-client accounts (sometimes referred to as "concentration" accounts) to prevent association of the identity of a client with the movement of funds on the client’s behalf, i.e., the bank will not permit the use of such internal accounts in a manner that would prevent the bank from appropriately monitoring the client’s account activity.

1.2.3 Accounts held in the name of money managers and similar intermediaries
The private banker will perform due diligence on the intermediary and establish that the intermediary has a due diligence process for its clients, or a regulatory obligation to conduct such due diligence, that is satisfactory to the bank.

1.2.4 Powers of attorney/Authorized signers
Where the holder of a power of attorney or another authorized signer is appointed by a client, it is generally sufficient to do due diligence on the client.

1.2.5 Practices for walk-in clients and electronic banking relationships
A bank will determine whether walk-in clients or relationships initiated through electronic channels require a higher degree of due diligence prior to account opening. The bank will specifically address measures to satisfactorily establish the identity of non-face-to-face customers.

1.3 Due diligence
It is essential to collect and record information covering the following categories:
- Purpose and reasons for opening the account
- Anticipated account activity
- Source of wealth (description of the economic activity which has generated the net worth)
- Estimated net worth
- Source of funds (description of the origin and the means of transfer for monies that are accepted for the account opening)
- References or other sources to corroborate reputation information where available.
- Unless other measures reasonably suffice to do the due diligence on a client (e.g. favourable and reliable references), a client will be met prior to account opening.

1.4 Numbered or alternate name accounts
Numbered or alternate name accounts will only be accepted if the bank has established the identity of the client and the beneficial owner. These accounts must be open to a level of scrutiny by the bank’s appropriate control layers equal to the level of scrutiny applicable to other client accounts.

1.5 Offshore jurisdictions
Risks associated with entities organized in offshore jurisdictions are covered by due diligence procedures laid out in these guidelines.
1.6 Oversight responsibility
There will be a requirement that all new clients and new accounts be approved by at least one person other than the private banker.

2 Client acceptance: situations requiring additional diligence / attention

2.1 General
In its internal policies, the bank must define categories of persons whose circumstances warrant additional diligence. This will typically be the case where the circumstances are likely to pose a higher than average risk to a bank.

2.2 Indicators
The circumstances of the following categories of persons are indicators for defining them as requiring additional diligence:

- Persons residing in and/or having funds sourced from countries identified by credible sources as having inadequate anti-money laundering standards or representing high risk for crime and corruption.
- Persons engaged in types of business activities or sectors known to be susceptible to money laundering.
- "Politically Exposed Persons" (frequently abbreviated as “PEPs”), referring to individuals holding or having held positions of public trust, such as government officials, senior executives of government corporations, politicians, important political party officials, etc., as well as their families and close associates.

2.3 Senior management approval
The banks’ internal policies should indicate whether, for any one or more among these categories, senior management must approve entering into new relationships. Relationships with Politically Exposed Persons may only be entered into with the approval from senior management.

3 Updating client files

3.1 The private banker is responsible for updating the client file on a defined basis and/or when there are major changes. The private banker's supervisor or an independent control person will review relevant portions of client files on a regular basis to ensure consistency and completeness. The frequency of the reviews depends on the size, complexity and risk posed of the relationship.

3.2 With respect to clients classified under any category of persons mentioned in 2, the bank’s internal policies will indicate whether senior management must be involved in these reviews.

3.3 Similarly, with respect to clients classified as set forth in 3.2, the bank's internal policies will indicate what management information must be provided to management and/or other control layers. The policies should also address the frequency of these information flows.

3.4 The reviews of PEPs must require senior management’s involvement.
Practices when identifying unusual or suspicious activities

4.1 Definition of unusual or suspicious activities
The bank will have a written policy on the identification of and follow-up on unusual or suspicious activities. This policy will include a definition of what is considered to be suspicious or unusual and give examples thereof.

Unusual or suspicious activities may include:
• Account transactions or other activities which are not consistent with the due diligence file
• Cash transactions over a certain amount
• Pass-through / in-and-out-transactions.

4.2 Identification of unusual or suspicious activities
• Unusual or suspicious activities can be identified through:
  • Monitoring of transactions
  • Client contacts (meetings, discussions, in-country visits etc.)
  • Third party information (e.g. newspapers, Reuters, internet)
  • Private banker's / internal knowledge of the client’s environment (e.g. political situation in his/her country).

4.3 Follow-up on unusual or suspicious activities
The private banker, management and/or the control function will carry out an analysis of the background of any unusual or suspicious activity. If there is no plausible explanation a decision will be made involving the control function:
• To continue the business relationship with increased monitoring
• To cancel the business relationship
• To report the business relationship to the authorities.

The report to the authorities is made by the control function and senior management may need to be notified (e.g. Senior Compliance Officer, CEO, Chief Auditor, General Counsel). As required by local laws and regulations the assets may be blocked and transactions may be subject to approval by the control function.

5 Monitoring

5.1 Monitoring Program
A sufficient monitoring program must be in place. The primary responsibility for monitoring account activities lies with the private banker. The private banker will be familiar with significant transactions and increased activity in the account and will be especially aware of unusual or suspicious activities (see 4.1). The bank will decide to what extent fulfilment of these responsibilities will need to be supported through the use of automated systems or other means.

5.2 Ongoing Monitoring
With respect to clients classified under any category of persons mentioned in 2, the bank’s internal policies will indicate how the account activities will be subject to monitoring.
6 Control responsibilities
A written control policy will be in place establishing standard control procedures to be undertaken by the various "control layers" (private banker, independent operations unit, Compliance, Internal Audit). The control policy will cover issues of timing, degree of control, areas to be controlled, responsibilities and follow-up, etc. An independent audit function (which may be internal to the bank) will test the programs contemplated by the control policy.

7 Reporting
There will be regular management reporting established on money laundering issues (e.g. number of reports to authorities, monitoring tools, changes in applicable laws and regulations, the number and scope of training sessions provided to employees).

8 Education, training and information
The bank will establish a training program on the identification and prevention of money laundering for employees who have client contact and for Compliance personnel. Regular training (e.g. annually) will also include how to identify and follow-up on unusual or suspicious activities. In addition, employees will be informed about any major changes in anti-money-laundering laws and regulations. All new employees will be provided with guidelines on the anti-money-laundering procedures.

9 Record retention requirements
The bank will establish record retention requirements for all anti-money-laundering related documents. The documents must be kept for a minimum of five years.

10 Exceptions and deviations
The bank will establish an exception and deviation procedure that requires risk assessment and approval by an independent unit.

11 Anti-money-laundering organization
The bank will establish an adequately staffed and independent department responsible for the prevention of money laundering (e.g. Compliance, independent control unit, Legal).
APPENDIX K

LIST OF OECD INITIATIVES RELATED TO CORRUPTION

- Recommendation to the Council on the Tax Deductibility of Bribes to Foreign Public Officials
- Recommendation on Improving Ethical Conduct in the Public Service (1998)
- Convention of Combating Bribery of Foreign Public Officials in International Business Transactions (1997)
- Recommendation to Combat Corruption in Aid-Funded Procurement (1997)
- Recommendation on the Tax Deductibility of Bribes to Foreign Public Officials (1996)
- Civil Law Convention on Corruption 1999
- Criminal Law Convention on Corruption 1998
- Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States of the European Union 1997
- Inter-American Convention Against Corruption 1996
- United Nations General Assembly Resolutions 51/59 and 51/191

Please visit www.oecd.org for the details and updates.
## APPENDIX L

**CORRUPTION, DRUG TRAFFICKING AND OTHER SERIOUS CRIMES (CONFISCATION OF BENEFITS) ACT OF SINGAPORE**

*(CHAPTER 65A)*

**SECOND SCHEDULE**

SERIOUS OFFENCES

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<td>Concealing or transferring benefits from criminal conduct</td>
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<td>Knowingly negotiating to obtain or for payment of ransom</td>
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<td>Aiding escape of, rescuing, or harbouring such prisoner</td>
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<td>Section</td>
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<td>14. Section 130C</td>
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<td>Public servant taking a gratification, other than legal remuneration, in respect of an official act</td>
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<td>19. Section 181</td>
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APPENDIX M

MAS 626 dated 11 Nov 2002

Notice to Banks
Banking Act, CAP 19

Examples of Suspicious Transactions

1. General Comments

The list of situations given below is intended mainly as a means of highlighting the basic ways in which money may be laundered. While each individual situation may not be sufficient to suggest that money laundering is taking place, a combination of such situations may be indicative of such a transaction. Further, the list is by no means complete, and will require constant updating and adaptation to changing circumstances and new methods of laundering money. The list is intended solely as an aid, and must not be applied as a routine instrument in place of common sense.

A customer’s declarations regarding the background of such transactions should be checked for plausibility. Not every explanation offered by the customer can be accepted without scrutiny.

It is justifiable to suspect any customer who is reluctant to provide normal information and documents required routinely by the bank in the course of the business relationship. Banks should pay attention to customers who provide minimal, false or misleading information or, when applying to open an account, provide information that is difficult or expensive for the bank to verify.

2. Transactions Which Do Not Make Economic Sense

i) A customer-relationship with the bank that does not appear to make economic sense, for example, a customer having a large number of accounts with the same bank, frequent transfers between different accounts or exaggeratedly high liquidity;

ii) Transactions in which assets are withdrawn immediately after being deposited, unless the customer's business activities furnish a plausible reason for immediate withdrawal;

iii) Transactions that cannot be reconciled with the usual activities of the customer, for example, the use of Letters of Credit and other methods of trade finance to move money between countries where such trade is not consistent with the customer's usual business;

iv) Transactions which, without plausible reason, result in the intensive use of what was previously a relatively inactive account, such as a customer's account which shows virtually no normal personal or business related activities but is used to receive or disburse unusually large sums which have no obvious purpose or relationship to the customer and/or his business;
v) Provision of bank guarantees or indemnities as collateral for loans between third parties that are not in conformity with market conditions;

vi) Unexpected repayment of an overdue credit without any plausible explanation;

vii) Back-to-back loans without any identifiable and legally admissible purpose.

3. Transactions Involving Large Amounts of Cash

i) Exchanging an unusually large amount of small-denominated notes for those of higher denomination;

ii) Purchasing or selling of foreign currencies in substantial amounts by cash settlement despite the customer having an account with the bank;

iii) Frequent withdrawal of large amounts by means of cheques, including traveller's cheques;

iv) Frequent withdrawal of large cash amounts that do not appear to be justified by the customer's business activity;

v) Large cash withdrawals from a previously dormant/inactive account, or from an account which has just received an unexpected large credit from abroad;

vi) Company transactions, both deposits and withdrawals, that are denominated by unusually large amounts of cash, rather than by way of debits and credits normally associated with the normal commercial operations of the company, e.g. cheques, letters of credit, bills of exchange, etc;

vii) Depositing cash by means of numerous credit slips by a customer such that the amount of each deposit is not substantial, but the total of which is substantial;

viii) The deposit of unusually large amounts of cash by a customer to cover requests for bankers' drafts, money transfers or other negotiable and readily marketable money instruments;

ix) Customers whose deposits contain counterfeit notes or forged instruments;

x) Large cash deposits using night safe facilities, thereby avoiding direct contact with the bank;

xi) Customers making large and frequent cash deposits but cheques drawn on the accounts are mostly to individuals and firms not normally associated with their business;

xii) Customers who together, and simultaneously, use separate tellers to conduct large cash transactions or foreign exchange transactions.
4. Transactions Involving Bank Accounts

i) Matching of payments out with credits paid in by cash on the same or previous day;

ii) Paying in large third party cheques endorsed in favour of the customer;

iii) Substantial increases in deposits of cash or negotiable instruments by a professional firm or company, using client accounts or in-house company or trust accounts, especially if the deposits are promptly transferred between other client company and trust accounts;

iv) High velocity of funds through an account, i.e., low beginning and ending daily balances, which do not reflect the large volume of funds flowing through an account;

v) Multiple depositors using a single bank account;

vi) An account opened in the name of a moneychanger that receives structured deposits;

vii) An account operated in the name of an offshore company with structured movement of funds.

5. Transactions Involving Transfers Abroad

i) Transfer of money abroad by an interim customer in the absence of any legitimate reason;

ii) A customer which appears to have accounts with several banks in the same locality, especially when the bank is aware of a regular consolidated process from such accounts prior to a request for onward transmission of the funds elsewhere;

iii) Repeated transfers of large amounts of money abroad accompanied by the instruction to pay the beneficiary in cash;

iv) Large and regular payments that cannot be clearly identified as bona fide transactions, from and to countries associated with (i) the production, processing or marketing of narcotics or other illegal drugs or (ii) criminal conduct;

v) Substantial increase in cash deposits by a customer without apparent cause, especially if such deposits are subsequently transferred within a short period out of the account and/or to a destination not normally associated with the customer;

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An interim customer is one who is not a regular customer of the bank in question, or does not maintain an account, deposit account, safe deposit box, etc. with the bank.
vi) Building up large balances, not consistent with the known turnover of the customer's business, and subsequent transfer to account(s) held overseas;

vii) Cash payments remitted to a single account by a large number of different persons without an adequate explanation.

6. Investment Related Transactions

i) Purchasing of securities to be held by the bank in safe custody, where this does not appear appropriate given the customer's apparent standing;

ii) Requests by a customer for investment management services where the source of funds is unclear or not consistent with the customer's apparent standing;

iii) Larger or unusual settlements of securities transactions in cash form;

iv) Buying and selling of a security with no discernible purpose or in circumstances which appear unusual.

7. Transactions Involving Unidentified Parties

i) Provision of collateral by way of pledge or guarantee without any discernible plausible reason by third parties unknown to the bank and who have no identifiable close relationship with the customer;

ii) Transfer of money to another bank without indication of the beneficiary;

iii) Payment orders with inaccurate information concerning the person placing the orders;

iv) Use of pseudonyms or numbered accounts for effecting commercial transactions by enterprises active in trade and industry;

v) Holding in trust of shares in an unlisted company whose activities cannot be ascertained by the bank;

vi) Customers who wish to maintain a number of trustee or clients' accounts that do not appear consistent with their type of business, including transactions that involve nominee names.

8. Miscellaneous Transactions

i) Purchase or sale of large amounts of precious metals by an interim customer;

ii) Purchase of bank cheques on a large scale by an interim customer;

iii) Extensive or increased use of safe deposit facilities that do not appear to be justified by the customer's personal or business activities.
APPENDIX N

Dates of Tax Haven Commitments to OECD Project and Release of OECD Reports


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<td>→ Release on 18 April 2002 list of uncooperative tax havens</td>
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## APPENDIX O

### OECD Tax Haven Commitment Letters


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Note: This information is obtained from the letters sent to the OECD from the jurisdictions and is available on the OECD Web site. Key dates in this process are the release of the progress report in June 2000, the progress report in November 2001 (which extended the deadline for making a commitment to February 2002), and the release of the list of uncooperative tax havens on 18 April 2002.
APPENDIX P

MAURITIUS' LIST OF DOUBLE TAXATION AVOIDANCE TREATIES

As of 11 February 2004, Mauritius has ratified 32 treaties and is negotiating others. The treaties currently in force are:

Belgium
Botswana
Croatia
Cyprus
France
Germany
India
Indonesia
Italy
Kuwait
Lesotho
Luxembourg
Madagascar
Malaysia
Mozambique
Namibia
Nepal
Oman
Pakistan
People’s Republic of China
Russian Federation
Rwanda
Senegal
Singapore
South Africa
Sri Lanka
Swaziland
Sweden
Thailand
Uganda
United Kingdom
Zimbabwe
APPENDIX Q

IMF KEY POLICY RECOMMENDATIONS TO SINGAPORE

These recommendations were listed in the IMF’s report, “Singapore: Financial System Stability Assessment, including Reports on the Observance of Standards and Codes on the following topics: Banking Supervision, Insurance Regulation, Securities Regulation, Payment and Settlement Systems, Monetary and Financial Policy Transparency, and Anti-Money Laundering”. It is based on the information available at the time it was completed on 25 February 2004.

- Macro-prudential monitoring: Further strengthen the MAS’ monitoring of (i) the risks arising from new financial products; (ii) cross-border financial flows (including flows in the Asian Dollar Market (ASD) and particularly transactions between branches and head offices) to detect potential strains in the offshore banking market; (iii) household and corporate sector balance sheets to assess the resilience of the private sector; and (iv) market and counter-party risks of derivatives activities by financial institutions.

- Regulatory systems and supervisory practices: Further enhance the MAS’ legal and regulatory framework through the completion of the review of the regulatory minimum capital requirements for local banks and the implementation of its new risk-based capital framework for the insurance industry, planned for introduction in late 2004; and complete the ongoing review of the MAS Act.

- The MAS’ accountability, independence, and oversight capabilities: Reduce the potential for conflicts of interest arising from the multiple official responsibilities of the Chairman of the MAS.

- Monetary and financial policy transparency: Provide more information on how supervisory actions are taken in line with the risk-based supervisory framework and disclose more information to improve the public’s ability to assess supervisory performance.

- Anti-money laundering and combating the financing of terrorism: Improve the effectiveness of cross-border mutual legal assistance.

- Capital market development: Review and address factors that may constrain the further development of the corporate bond market, including the limited use of credit ratings, guaranteed interest rates of the Central Provident Fund (CPF), and the CPF investment policy.
APPENDIX R

SINGAPORE: KEY FINANCIAL SECTOR REFORM MEASURES, 1999 - 2003

These reform measures were listed in the IMF’s report, “Singapore: Financial System Stability Assessment, including Reports on the Observance of Standards and Codes on the following topics: Banking Supervision, Insurance Regulation, Securities Regulation, Payment and Settlement Systems, Monetary and Financial Policy Transparency, and Anti-Money Laundering”. It is based on the information available at the time it was completed on 25 February 2004.

Liberalisation measures

The MAS announced in 1999 a five-year program to liberalise the domestic banking sector in order to strengthen Singapore’s banking system and the local banks. The program included an expansion of banking privileges and a broadening of the range of activities for foreign banks. The consolidation of local banks was also encouraged.

In 2002, all restrictions on the use of the Singapore dollar in international transactions were removed except for the following:

- Non-resident financial entities must swap Singapore dollar proceeds from Singapore dollar loans, equity, and bond issues into foreign currency to finance activities abroad.
- Financial institutions may not extend credit facilities larger than S$5 million if there is reason to believe that the funds may be used for Singapore dollar currency speculation.

Legislative and regulatory reforms

2001

- The Companies Act was amended to enhance prospectus disclosure requirements.
- An amendment to the Banking Act brought into force new policy measures, including the separation of financial and non-financial businesses of local banks, and the revision of the rules on property-related loans to more effectively monitor banks’ exposure to the property sector.
- The new Liquidity Supervision Framework was passed to tie liquid asset requirements to a bank’s liquidity profile and risk management capabilities.

2002

- The Financial Advisors Act (FAA) was enacted to integrate the different acts governing financial advisory services and to streamline licensing requirements, and the Securities and Futures Act (SFA) to consolidate legislation of capital market activities and introduced disclosure-based market supervision.
- A risk-based capital framework for securities for capital markets services license holders came into force.
- The Payment and Settlement Systems (Finality and Netting) Act was enacted to provide for protection of the payment and settlement systems from disruptions.
- The Consumer Credit Bureau was established.
2003
• The Code of Corporate Governance took effect. Although the Code is not mandatory, all listed companies are required to disclose their governance practices and any deviations from the Code in their annual reports.
• Listed companies with market capitalisation of S$75 million or more were required to make quarterly reports.

Measures to develop capital markets

1999
• The Singapore Exchange (SGX) was formed following the demutualization and merger of the Stock Exchange of Singapore and Singapore International Monetary Exchange.

2000
• Repo-related Singapore government securities (SGS) holdings were allowed to count toward the liquid asset requirement to boost the repo market.
• A securities lending facility for primary dealers of SGS securities was introduced.
• The SGX was listed on the SGX Main Board.

2001
• Investment restrictions on CPF Special Accounts were liberalised.
• The five-year SGS bond futures contract was launched by the SGX.
• Fifteen-year SGS bonds were issued to extend the benchmark yield curve.

2002
• A new SGX listing manual came into effect. The changes include revised distribution guidelines for initial public offerings.
• The borrowing period for the securities lending facility was extended, and full order book information on the SGX securities market was made available to investors on a subscription basis.
APPENDIX S

SINGAPORE: MAIN FINDINGS OF THE ASSESSMENTS OF OBSERVANCE OF KEY INTERNATIONAL STANDARDS AND CODES

These findings were listed in the IMF's report, "Singapore: Financial System Stability Assessment, including Reports on the Observance of Standards and Codes on the following topics: Banking Supervision, Insurance Regulation, Securities Regulation, Payment and Settlement Systems, Monetary and Financial Policy Transparency, and Anti-Money Laundering". It is based on the information available at the time it was completed on 25 February 2004.

- Basel Core Principles (BCP) for Effective Banking Supervision: Overall, the MAS has established a sound prudential and regulatory framework for effective supervision of its commercial banking sector and has achieved a high level of observance of the BCP. There are no weaknesses that raise financial stability concern.

- International Association of Insurance Supervisors (IAIS) Insurance Core Principles: Singapore has a high level of observance of the IAIS principles. Significant initiatives are currently being developed in consultation with the industry — particularly the overhaul of the capital standards to a more comprehensive and risk-based approach with new rules giving specific attention to corporate governance and internal controls. The implementation and enforcement of these initiatives, which are well advanced, will further improve observance.

- International Organization of Securities Commissions (IOSCO) Objectives and Principles of Securities Regulation: Singapore has achieved a high degree of compliance with the IOSCO principles. The framework for the oversight and regulation of securities markets, intermediaries, issuers, and collective investment schemes is well developed, sophisticated, and meets international standards. The MAS should require periodic reporting of net asset values and ensure that a Collective Investment Scheme (CIS) operator has systems in place to calculate net asset values correctly.

- Committee on Payment and Settlement System (CPSS) Core Principles for Systemically Important Payment Systems (CPSIPS): Singapore has a highly developed payment system. The MEPS — a systemically important payment system — is a reliable and robust real-time gross settlement system and exhibits significant observance of CPSIPS principles. The settlement risk of foreign exchange transactions in Singapore dollars has been further reduced by the inclusion of the Singapore dollar in the CLS in September 2003.

- CPSS-IOSCO Recommendations for Securities Settlement Systems: Neither the MAS Electronic Payment System-Singapore Government Securities (MEPS-SGS) — which clears and settles SGS on an real-time gross settlement basis—nor the
Central Depository Private Limited (CDP) — which clears and settles equities and private debt securities — is subject to major vulnerabilities. While the MAS oversight objectives with respect to securities settlement systems are set out in various documents, it is recommended that the MAS publish a document on the oversight framework for securities settlement systems and its approach to its administration.

**Transparency in Monetary and Financial Policies:** The transparency of monetary policy framework has improved substantially in recent years. Given the exchange rate regime-based monetary policy, however, the authorities remain cautious about publishing certain information on the monetary policy framework and monetary operations. For example, neither the weights used in the trade-weighted exchange rate index nor the precise limits of the band are disclosed. Similarly, the extent of MAS interventions in the foreign exchange market is not disclosed on a predetermined or timely schedule. Greater disclosure in these areas could be considered to the extent it does not compromise the monetary policy regime. The MAS has made steady progress toward improving transparency in financial policies in recent years and now meets many of the elements of the Transparency Code. The MAS could further improve transparency through providing more detailed information on recent developments in the financial sector and its supervisory activities in its regular publications, including regarding local financial institutions’ overseas operations.

**Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT):** Singapore now has in place a sound and comprehensive legal, institutional, and policy and supervisory framework for AML/CFT and the authorities have demonstrated a strong commitment to its effective implementation. Though some steps have been taken with the enactment of a domestic mutual legal assistance law and ongoing negotiations for several bilateral treaties, the effectiveness of cross-border mutual legal assistance needs to be improved as it relates to compulsory assistance at international request, including the provision of bank records. The Palermo Convention is signed but yet to be ratified. Some aspects of best practice for customer due diligence need to be specified more clearly and in greater detail, though implementation was observed in individual institutions.
APPENDIX T

INTERNATIONAL TAX AND INVESTMENT ORGANISATION
(ITIO) MEMBERS

Isle of Man
Anguilla
Antigua & Barbuda
Bahamas
Barbados
Belize
British Virgin Islands
Cayman Islands
St Kitts & Nevis
St Lucia
St Vincent & the Grenadines
Turks & Caicos
Panama
Pacific Cook Islands
Samoa
Vanuatu
Labuan – Malaysia
APPENDIX U

STATUS OF COUNTRIES AND TERRITORIES IN SUPRANATIONAL ORGANISATIONS' INITIATIVES

First Report / List issued by OECD, FATF, FSF and IMF regarding tax havens and their anti-money laundering policy

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850 Financial Action Task Force, Review to Identify Non-Cooperative Countries or Territories: Increasing the Worldwide Effectiveness of Anti-Money Laundering Measures (2000, FATF). √ represents countries or territories which co-operated in the fight against money laundering; x represents non-cooperative.

851 Financial Stability Forum, ‘Financial Stability Forum Releases Grouping of Offshore Financial Centres (OFcs) to Assist in Setting Priorities for Assessment’ (Press Release, 26 May 2000) 2. 1 represents countries or territories which are generally perceived as having legal infrastructures and supervisory practices, and/or a level of resources devoted to supervision and co-operation relative to the size of their financial activities, and/or a level of co-operation that are largely of a good quality and better than in other OFCs. 2 represents countries or territories which are generally perceived as having legal infrastructures and supervisory practices, and/or a level of resources devoted to supervision and co-operation relative to the size of their financial activities, and/or a level of co-operation that are largely of a higher quality than group 3, but lower than group 1. 3 represents countries or territories which are generally perceived as having legal infrastructures and supervisory practices, and/or a level of resources devoted to supervision and co-operation relative to the size of their financial activities, and/or a level of co-operation that are largely of a lower quality than in group 2.

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