



Security and Trust  
You Can Depend On

# DGM FINANCIAL GROUP OF COMPANIES

The Central Bank of Barbados

TRUST | TRANSPARENCY | INTEGRITY | DISCRETION

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# The DGM Financial Group of Companies – Corporate History



### The DGM Financial Group

has been providing comprehensive global financial services to individuals, trusts, corporate and captive clients around the world since 1996. Our independence affords us the flexibility to react rapidly to changing conditions and to structure innovative tailored solutions for our clients worldwide.

**DGM** has over the past 20 years built a reputation of providing exceptional service to our clients, their professional advisors and introducers. Trust and transparency, integrity and discretion are our core values and are the foundation for our success and longevity.

We have established ourselves as an innovative builder of long-term relationships, proactively exceeding our clients' needs and expectations.

Our Board of Directors and team of internationally experienced and qualified professionals have a wealth of experience drawn from the legal and accountancy professions, banking, insurance and commerce.

### Providing exceptional service to our clients...



Our shareholders include Cave Shepherd and Co., a Barbadian public listed Company and Mr E. Neville Isdell, former Chairman and CEO of The Coca Cola Company.

### The DGM Financial Group of Companies

has two core businesses – fiduciary services including Trusts, Foundations, and Family Offices and Management of Companies and Exempt Insurance Management services including incorporation, administration and accounting services.

# The DGM Financial Group:

**DGM Trust Corporation** is a licensed Barbados Domestic Trust Company providing professional trust and corporate services to clients worldwide. We provide a full suite of corporate services including incorporation, administration, provision of corporate directors, corporate secretarial services, Registered Office, Resident Agent in Barbados and some other jurisdictions including the BVI. We provide a comprehensive range of services for the establishment and administration of domestic, international, special purpose and reserved power Trusts.

**DGM Management Services Inc.** offers administration services including accounting, bookkeeping, preparation of annual financial statements, payroll and tax filing.

**DGM Directors Inc.** is incorporated under the Companies Act of Barbados to provide Directorship Services.

**DGM Family Office** offers a complete and bespoke service to high-net worth families seeking a personalized and confidential handling of their business and personal affairs.

**DGM Captive Management Inc.** is licensed under the Exempt Insurance Act of Barbados offering complete management services to Exempt Insurance Companies.



Providing professional trust and corporate services to clients worldwide.

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Barbados' Parliament Building

# Barbados - An attractive business environment for International Corporations and HNW clients

Barbados is the most easterly of the Caribbean islands situated approximately 1600 miles south east of Miami, with an area of 166 square miles and a population of 285,000. There are daily direct flights from;

Miami - 3 1/2 hours,

.....  
New York - 4 hours,

.....  
Atlanta - 4.25 hours,

.....  
Canada - 5 hours,

.....  
London - 8 hours.

Barbados is an independent English-speaking Commonwealth country with a dynamic economy and its legal system is based on English Common Law as modified by statute. Barbados is an outstanding domicile for international business and is consistently rated in the top tier by the world's leading agencies.

Independent since 1966, the island's stable government and strong regulatory framework create an attractive business environment for international corporations and high net worth investors. There are currently over 4,100 entities comprising of International Business Companies and Societies with Restricted Liability registered in Barbados.





Parliament Clock Tower

# Advantages of Barbados:

Barbados has differentiated itself from its competitors as a leading financial centre offering the following unique advantages:

- Long history of political, social and economic stability.
- Low tax rate - Barbados legislation provides attractive tax concessions and incentives. IBCs are taxed on a sliding scale from 2.5% to 0.25% depending on their profit. IBCs are entitled to foreign tax credits in relation to taxes paid outside of Barbados. There are no withholding taxes on dividends, and capital gains are tax exempt.
- Barbados has a well-developed tax treaty network which can provide attractive tax concessions and incentives, and can eliminate double taxation. The Barbados Government is committed to expanding its Treaty Network and has successfully negotiated a significant number of double taxation agreements and has eleven bilateral investment treaties.

As of November 2016, Barbados has entered into the following double taxation treaties (DTA's)

|            |                |             |
|------------|----------------|-------------|
| Austria    | Bahrain        | Botswana    |
| Canada     | Caricom*       | China       |
| Cuba       | Czech Republic | Finland     |
| Iceland    | Luxembourg     | Malta       |
| Mauritius  | Mexico         | Netherlands |
| Norway     | Panama         | Qatar       |
| San Marino | Seychelles     | Singapore   |
| Spain      | Switzerland    | Switzerland |
| UAE        | UK             | USA         |
| Venezuela  |                |             |

\*The Members of CARICOM are Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

DTA's signed awaiting ratification: Rwanda, UAE, Portugal and Republic of Ghana and Italy.

DTA's awaiting signature: Malaysia, Slovak Republic, Belgium and Vietnam.

# Barbados has signed 11 bilateral treaties: (BITS):

|   |           |             |
|---|-----------|-------------|
| Belgium/<br>Luxembourg<br>Economic<br>Union | Canada    | China       |
| Cuba  | Germany   | Ghana       |
| Italy                                       | Mauritius | Switzerland |
| UK  | Venezuela |             |

5 Tax Information Exchange Agreements (TIEAs) have been signed to promote international cooperation in tax matters through the exchange of information between signatories – with Faroe Islands, Denmark, Greenland, USA and South Africa.

Awaiting ratification: Columbia  
Awaiting signature: Germany and France

A number of other treaties are currently at various stages of negotiation.

- Barbados has fared well from the increased scrutiny and regulation of financial services by international organizations such as The OECD which has determined that its regulations and tax and other bilateral treaties work effectively to provide adequate transparency and exchange of information to its trading partners. It has built a reputation as an appropriately regulated jurisdiction

- built on a tradition of transparency.
- A well-educated and skilled workforce, as well as a developed infrastructure and telecommunications system provide significant benefits to International corporations and individuals.
- Barbados Company formation is cost competitive and fast. The cost of doing business in Barbados is less expensive than in many other International jurisdictions.
- **Barbados Residency Program:** Barbados Immigration will grant to suitably qualified High-Net-Worth Persons and retired persons and their dependents indefinite Special Entry Permits, or a 5 year Stay and Reside Permit together with annual and/or indefinite work permits (subject to certain requirements). These permits allow suitably qualified non-nationals the right to live, work and retire in Barbados and to visit the island often and stay for extended periods of time. Under the non-dom program, individuals can become tax resident in Barbados and therefore subject to a very favorable tax regime including maintaining foreign currency accounts which are exempted from exchange controls. There are no restrictions on the ownership of real estate by foreign nationals and no permits or licenses are required for the acquisition of real estate An enviable and unparalleled lifestyle, great beaches and wonderful restaurants and outdoor pursuits to enjoy together with a tax efficient retirement planning option provides an attractive domicile for individuals wishing to relocate.

DGM has successfully secured an increasing number of Special Entry permits for our clients.

Barbados has built its reputation as an appropriately regulated jurisdiction on a tradition of transparency.



## Our Services

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For many wealthy families and individuals, Trusts form an important part of the estate and wealth management planning process.

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# Trust Services

A **Trust** is one of the most flexible estate planning and investment vehicles available. Trusts permit complete flexibility in the management, control and ultimate distribution of assets, preservation and protection of wealth. Trust structures may also alleviate succession duties, wealth taxes, future hostile claims, forced heirship, exchange controls and probate fees.

**DGM** is leading provider of Trusts, Foundations and other fiduciary services.

**DGM Trust Corporation** is licensed in Barbados to provide a comprehensive range of trustee and corporate services to individual and corporate clients. The management of private wealth is the core of our business. We provide high quality bespoke services for the preservation, enhancement and ultimate disposition of wealth for present and future generations. Our trust clients include international high net-worth families who seek the benefits of employing professional trustees and directors combined with experienced, professional administration.

## Our Trust Services include:

- Acting as Trustee for domestic, international, purpose, reserved powers and unit trusts.
- Acting as Special Director and administrator of Barbados private trust companies.
- Acting as council members for Foundations.

## Our Corporate and Management Services Include:

- Company registration, incorporation and licensing services.
- Registered office, Directors, Officers and Corporate Secretarial services.
- Holding of Board and Shareholder meetings and preparation of minutes and written resolutions.
- Company administration including invoice payments and preparation, and banking arrangements.

- Annual licensing, tax returns and regulatory obligations.
- Preparation of financial statements and audit facilitation.
- Provision of corporate and Barbados residential Directors.
- Registration of External Companies.
- Registered Agent services.
- Share Transfer Agent.
- Company liquidations.

**DGM** collaborates with Tax and legal advisors and other professionals to create the right structure for each individual's circumstances. We do not give legal or tax advice but provide the support and infrastructure for service excellence: managing the day to day operational, administrative and regulatory requirements efficiently and effectively, thus allowing our clients the freedom they need to handle their business affairs effectively.

For many wealthy families and individuals, Trusts form an important part of the estate and wealth management planning process. Trusts and Foundations are ideal "arm's length" structures to help to hold, protect and enhance wealth for future generations.

## Key Benefits:

- Estate planning
- Succession planning
- Business continuity
- Asset protection
- Inheritance planning
- Migration planning
- Tax mitigation
- Confidentiality
- Philanthropy
- Ease of administration

# The use of Trusts, PTC's and Foundations in Barbados

1. **International Trusts** are governed by the International Trust Act ("the Act") and are non-domiciled for Barbados tax purposes.

International Trusts must meet the following criteria:

- The Settlor and Beneficiaries must be non-residents of Barbados at the time the Trust is established.
- One Trustee must be resident in Barbados.
- Trust must state that it is an International Trust.
- Taxation of a Barbados International Trust is limited to income derived from Barbados and to income from sources outside of Barbados to the extent that a benefit is received in Barbados by way of remittance.
- The Trust must be registered.

2. **Purpose Trusts** are created not for specified persons but for a specified purpose and can be established for non-charitable purposes such as the holding of shares for commercial and international financing transactions. In addition to being an International Trust the characteristics of a Purpose Trust must include:
  - There must be a clear, specific and reasonable purpose which is capable of being fulfilled.
  - The purpose must be lawful and not contrary to public policy.
  - A Protector must be appointed.
  - There must be a clear termination event specified.
  - Provision must be made for the disposition of surplus assets upon termination.

**3. Domestic Trusts** may be beneficial for residents of tax treaty countries seeking benefits under those treaties. The characteristics of a Domestic Trust must include:

- The Trustee must be a Barbadian resident individual or Company.
- The Trust deed does not specify that the Trust is to be an International Trust.
- The Trust pays tax on Trust income not distributed to Beneficiaries in the calendar year in which it is earned.
- Capital Gains are not subject to tax.

**4. Private Trust Companies (PTC's)** are governed by the Private Trust Companies Act . The PTC is a company which has been incorporated for the main purpose of acting as a Trustee. It enables wealthy individuals and families to gain legal control over their Trust and underlying assets. In order to qualify as a PTC the following criteria must be met:

- The entity must be a Barbados Company which was first incorporated under the Companies Act, Cap. 308 of the laws of Barbados.
- The articles must state that it is a PTC and the name of the Company must state that it is a PTC.
- The Company must not solicit trust business from members of the public.
- The Company must not carry out any other business than being a Trustee, Protector or Administrator of the Trust.
- All of the Company's trust business must be "related trust business".
- The Company must appoint at least one "Special Director" who is resident in Barbados with at least 5 years relevant experience.
- The Company is required to have a registered agent in Barbados at whose office the registered office of the company shall be located.

### **5. Settlor Reserved Power Trusts;**

The Trustee (Amendment) Bill provides statutory clarification with regard to what powers may be reserved powers for Settlers of a Barbados Trust . Common powers reserved (or granted to a third party) by a Settlor include:

- Power to revoke or amend the Trust.
- Power to appoint either income or capital of the trust property.
- Power to remove and appoint Trustees, Protector or Beneficiaries.
- Power to make decisions in relation to the investment of the trust property.
- Power to act as a Director or Officer of any Company wholly or partly owned by the Trust.

**6. Foundations** are governed in Barbados under the Foundations Act. Foundations have been described as "Incorporated Trusts" – they are in many ways a hybrid between the traditional trust concept and the limited company concept and have features from both. Like Trusts, Foundations have been used for centuries to hold and safeguard assets. In contrast to a Trust, the Foundation has a separate legal personality. It holds assets in its own name and is both the legal and beneficial owner of those assets. The benefits that a Foundation offers are largely the same as those available through a Trust.

Today, they are being used increasingly by families for both charitable and non-charitable purposes. They are particularly popular among individuals from civil law countries where the notion of separate legal and beneficial ownership, the underlying principle of the trust concept is unfamiliar or not legally recognised. Barbados has signed DTAs with several Central and Latin American countries and Foundations are used by clients in these countries.

# Incentives offered to International Business Companies (IBC's) and Societies with Restricted Liability (SRL's) in Barbados

The incentives offered under the International Business Companies Act and the Society with Restricted Liability Act are as follows:

- Corporate tax on scale of 2.5% to 0.25%.
- Access to the Barbados tax treaty network in some cases.
- No capital gains tax and exemption from withholding tax.
- Freedom from exchange control.
- No minimum capital requirement.
- Duty-free imports of materials for business.
- Books and records may be kept in a foreign currency.
- Income tax concessions for specially qualified expatriate employees.
- Sale of foreign real estate or investments and the transfer of equity or quotas in an IBC are not subject to local transfer taxes or stamp duty.

## Establishing an IBC or a SRL

To establish an IBC a Company must first be incorporated under the Companies Act and then apply for and obtain a license from the Minister of Economic Affairs and Development. An SRL is incorporated under The Society with Restricted Liability Act.

The application must state the general nature of the international business the company proposes to conduct, including full details of shareholders and the directors and the name and address of its registered agent in Barbados. Under the Barbados Companies Act only a Secretary or Assistant Secretary need be appointed. Appointment of other Officers (President, Treasurer) is optional.

To ensure compliance with local law we recommend the appointment of DGM Trust Corporation as Secretary.



# Establishing a Captive

Barbados is in the top 10 of the world's captive domiciles.

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**DGM Captive Management Services Inc** is licensed under the Exempt Insurance Act of Barbados offering complete management services to International Companies.

Barbados is in the top 10 of the world's captive domiciles and remains the largest domicile for captives owned by Canadian companies and associations and is a significant player in the US Market, Latin America and in particular Mexico. A Company can be licensed under the Exempt Insurance Act or under the Insurance Act which also regulates domestic insurance companies. Insurance companies that decide to register under the Insurance Act are known as Qualifying Insurance Companies (QIC) and will be subject to tax while International Insurance Companies that are registered under the Exempt Insurance Act are known as Exempt Insurance Companies (EIC) which is not subject to tax.

## Incentives for Establishing an EIC or QIC in Barbados

- Insurance companies can conduct insurance business either as an EIC or as a QIC.
- Either entity could be established as a Segregated Cell Company (SCC).
- Both EIC and QICs are only required to have a minimum paid up capital of US \$125,000.
- Barbados regulatory framework is **flexible** as regards both reserve requirements and applicable accounting principles.
- **Tax Incentives:** Barbados is a low tax jurisdiction with tax efficient structures and an expanding network of Double Taxation Agreements (DTAs) and Bilateral Investment Treaties. Under the Exempt Insurance Act, 0% rate of tax on taxable income for the first 15 years, thereafter, assessed at a rate of 8% on the first US \$125,000 of taxable income, then 0% in respect of all other taxable income in excess of US \$125,000.
- **Exemption from withholding taxes.**
- **Exemption from exchange control.**
- **No capital gains tax.**
- Barbados commits to use of IFRS or US GAAP.
- **Flexibility in Solvency Requirements:** For companies carrying on general insurance business during the first year, the value of assets must exceed liabilities (solvency margin) by US \$125,000. After the first year, the company must maintain a solvency margin such that it is at least equal to:
  - a) if the premium income in the preceding year did not exceed US \$750,000 then the solvency requirement is US \$125,000.
  - b) 20% of premium income for the preceding financial year for the premium income up to US \$5million.

c) US \$1million plus 10% of premium income for the preceding financial year for premium income in excess of US \$5million.

d) Companies carrying on long-term insurance business are deemed insolvent and unable to pay its debts if the value of its assets does not exceed its liabilities.

- **Competitive cost structure:** The cost of doing business in Barbados is inexpensive compared to other domiciles.
- **International reputation:** Barbados was the first international domicile to be placed on the OECD white list for international domiciles. It has a sophisticated infrastructure with a highly experienced and internationally trained workforce, political stability and a good economy, and has earned an excellent reputation for integrity as an international business centre.



- **Robust Regulation and Governance -** The Government of Barbados has continually reviewed and enacted legislation to enhance the attractiveness of Barbados as an international financial base for foreign owned companies, and it has become a premier

captive domicile. Captive Insurance companies are subject to the regulatory authority of the Financial Services Commission, whose stated objective is to provide high quality and right-sized regulation.

- **Speed of Incorporation and licensing.**
- **No restriction on insurance business written.**
- **Good infrastructure** for international insurance companies, including local availability of experienced management companies, banks, investment companies, auditors and lawyers.

As of December 31<sup>st</sup>, 2015, there were 192 active EICs and 44 QICs in Barbados (*Source: Financial Services Commission*). Of the total number of active companies, approximately 56% originated from Canada and almost 30% were US-owned.

**Our experienced professionals provide the following services to EIC and QIC at very competitive rates:**

- Incorporation and licensing of Insurance Companies.
- Ongoing management services to include mind and management, accounting, finance, underwriting and claims administration and ensuring compliance with regulatory requirements.
- Corporate Secretarial, and administration services, including registered office.
- Through our respected partners identify Investment managers, and arranging banking requirements.



# Robust Regulation and Governance

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Barbados was the first international domicile  
to be placed on the OECD white list.

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# Segregated Cell Companies and Separate Accounts

Barbados has introduced both separate account and segregated cells legislation as amendments to its Companies Act.

## Separate Account Structures

A company that its articles of incorporation so permit may establish one or more separate accounts in respect of a contract liability.

- Separate accounts may only be established for insurance business.
- The Company must specify in its articles the designation, restrictions, conditions and rights that are attached to any separate account created under the authority of its articles.
- The assets of the company are segregated into separate accounts that are kept separate from the general assets of the company.
- The “assets of a separate account” include the specific assets owned by a company allocated and credited to the separate account. It also includes all income, interest,

gains, expenses and losses incurred or earned, in respect of the company’s dealing with the assets that are allocated to the separate account in accordance with the terms of the contract that relate to the establishment of the separate account.

- A company that has established a separate account may invest and deal with the assets of a separate account in accordance with the terms of the relevant contract.
- Separate books of record must be kept for each separate account.



# Segregated Cell Companies

The legislation is applicable to companies carrying on financial services activity, including insurance, banking and mutual funds or such activity of a non-financial nature as approved by the Minister.

- The SCC must include in its name “Segregated Cell Company” or “SCC.”
- Each cell must have its own distinct designation or denomination which must be clearly set out in the agreement.
- A Segregated Cell Company (“SCC”) is a single legal entity comprised of a “core” and a number of segregated parts, or “cells”. Under the legislation governing SCCs, this structure creates a legal segregation of the SCC’s assets and liabilities into a number of different cells and a core. Each cell is separate and independent from the

other cells, as well as from the core of the Company. The undertakings of one cell have no bearing on the other cells; the assets, liabilities and activities of each cell are ring-fenced from other cells. Under this corporate structure, the risks and rewards of one cell are kept separate from those of other cells. Each cell is only liable for its own debts and not for the debts of any other cell within the company.

- The minimum capital required for the core is US \$125,000 and the minimum for each cell required is US \$12,500.

The SCC provides flexibility and security for international investment structuring: it is easier and cheaper to add a cell to an existing cell Captive than to launch an entirely new Captive.

## Companies that can become a SCC:

- A company that is incorporated as a segregated cell company.
- An existing company that is converted to a segregated cell company.
- An external company can be:

**a)** Registered as a cell company in Barbados

**b)** Continued as a cell company in Barbados

Applications to set up a SCC for an Insurance Company must be sent to the Financial Services Commission for approval.



Bridgetown Careenage

DGM provides the expertise and management your Insurance Company needs to operate efficiently in Barbados.

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## Family Office Services

DGM can assist high net worth international families seeking highly personalized and centralised handling of their financial and personal affairs. We ensure our families' financial affairs are handled with the utmost levels of objectivity, integrity, professionalism and absolute discretion in a cost-effective and efficient manner. We bring focus and stability by consolidating their financial affairs, freeing family members from the time, effort and often conflict of managing their own wealth thus enabling them to enjoy their wealth. We provide families with a variety of advisory services in other areas such as changing

regulation, succession planning, family governance planning, and charitable and philanthropic donations in a discrete manner. Through our concierge style service we can assist with, property management, monitoring personal investments and managing household bills through to assisting with day-to-day needs and travel arrangements.

DGM has successfully secured a growing number of Special Entry permits and work permits for clients wishing to relocate to Barbados to live, work or retire. We can assist with all stages of the application process.

# We look forward to helping you do business in Barbados



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TRUST | TRANSPARENCY | INTEGRITY | DISCRETION

