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Fiducia by ASIACITI TRUST

Asiaciti Trust Group wins three awards at the WealthBriefing GCC Region Awards 2016

Asiaciti Trust Group emerged a big winner at this year's WealthBriefing GCC Region Awards 2016, receiving three awards at the prestigious Taj Dubai.

The Group has been crowned the Best Independent Trust or Fiduciary Company. The prestigious panel of judges noted how Asiaciti Trust Group takes the time to understand a client's situation before providing a solution from its wide range of locations; and, also how the Group provides training and support to firms aiming to improve their knowledge of the region.

Asiaciti Trust Group's Regional Director Laurence Black was also named Leading Individual (Advisor). This award recognises an individual who embodies qualities such as Laurence's impressive contribution to the development of its employer's business growth, his determination to raise the society's profile and his approachable and willing to assist personality. Laurence also received a special Editor's award for Outstanding Contribution to Wealth Management Thought Leadership.

The Guest of Honour HH Sheikh Mohammed Al Qassimi from the Sharjah Rulers Family did the honours of presenting the most prestigious awards of the evening.

The awards are testaments to the hard work that the team at Asiaciti Trust Group has put in over the last 12 months committing to deliver the highest level of services to its clients, and also propelled the Group towards its goal of being recognised as a leader in the MENA wealth structuring space.

ClearView Financial Media's CEO, and Publisher of WealthBriefing, Stephen Harris, was first to extend his congratulations to all the winners. He said: "The firms who triumphed in these awards are all worthy winners, and I would like to extend my heartiest congratulations. These awards were judged solely on the basis of entrants' submissions and their response to a number of specific questions, which had to be answered focusing on the client experience, not quantitative performance metrics. That is a unique, and I believe, compelling feature. These awards recognise the very best operators in the private client industry, with 'independence', 'integrity' and 'genuine insight' the watchwords of the judging process - such that the awards truly reflect excellence in wealth management. I am optimistic that these annual awards will become one of the brightest highlights in the wealth management calendar."

Also in this issue:

New Zealand's AML/CFT Act 2009 - Phase 2 Implementation

In recent years governments around the world have faced growing pressure to tighten regulations governing financial institutions and other professionals who hold money on behalf of others. New global regulations and standards for financial reporting (e.g. FATCA and the upcoming Common Reporting Standard) have been introduced to increase cross-border tax and financial law compliance, requiring businesses to take measures to guard against money laundering and terrorism financing.

In December 2015, New Zealand ratified the United Nations Convention against Corruption. In the same year the Organised Crime and Anti-corruption Legislation Bill was passed, which introduced the Anti-Money Laundering and Countering Financing of Terrorism Amendment Act 2015. The purpose of the amendment is to:

- improve the effectiveness of New Zealand's Anti-Money Laundering (AML) – Counter Financing Terrorism (CFT) regime by detecting and deterring money laundering, and the financing of terrorism;
- contribute to public confidence in the financial system;
- improve New Zealand's compliance with international laws and best practices.

Currently entities and businesses covered by the Act are required to have/complete:

- A Risk Assessment of the money laundering and financing of terrorism that may be expected in the course of running the business;
- An AML/CFT programme that includes procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism;
- A compliance officer appointed to administer and maintain an AML/CFT programme;
- Customer due diligence processes including customer identification and verification of identity;
- Suspicious transaction reporting, auditing and annual reporting systems and processes.

Phase 1 of the Act came into force in 2013. It applies to a range of financial businesses including banks, casinos, many trust and company service providers and some financial advisers, among others.

Phase 2 of the Act will extend cover to other sectors such as lawyers, accountants, real estate agents, conveyancers, some additional gambling sector businesses and some businesses that deal in high-value goods. Dealers of high value goods that may be affected include auctioneers, bullion dealers, jewellers, precious metal and stone dealers, motor vehicle and boat dealers, antique and art dealers, second hand dealers and pawnbrokers, and other businesses that accept or provide large amounts of cash.

Justice Minister Amy Adams says officials have been "undertaking scope and timing advice for implementing the second phase of reforms". The government's intention is to have the second phase in place by mid-2017.

Strengthening the AML/CFT regime will help maintain public and international business confidence in New Zealand's overall financial system. It will also help ensure New Zealand continues to play an effective role in international efforts to counter organised crime and terrorism.

New Zealand: Review of the Law of Trusts

The New Zealand Law Commission undertook an extensive four year review of trust law in New Zealand which culminated in a report in 2013 entitled "Review of the Law of Trusts: A Trusts Act for New Zealand". A draft Trust Bill has finally been developed in response to this report and the Government has requested industry consultation on the draft Bill. Feedback is required by 21 December 2016, and it is expected that a final version of the Bill will be introduced to Parliament in 2017.

The Bill is intended to enhance the current law, rather than introduce fundamental changes. The proposed reforms include:

1. Establishment of mandatory and default trustee duties so trustee obligations are clear;

2. Obligations on trustees to maintain base level information on the trust and to provide some information to beneficiaries (where appropriate);

3. Clarification of trustee powers and indemnities;

4. Additional options for removing and appointing trustees instead of going to court;

5. Codification of the rule in Saunders v Vautier allowing beneficiaries acting as a group to have certain powers relating to termination and variation of a trust;

6. Preservation of the right to ask the courts to intervene to resolve disputes; and

7. Removal of the rule against perpetuities and establishment of a maximum trust period of 125 years.

The Bill is intended to enhance the current law, rather than introduce fundamental changes. We will update you on these matters as soon as a finalised Bill is introduced to Parliament.

For more information, please contact New_Zealand@asiacititrust.com

DIFC Management Working Group

Earlier this year, the Governor of the Dubai International Finance Centre (DIFC), HE Essa Kazim, set up a DIFC Wealth Management Working Group to develop an updated wealth management strategy. The primary focus of the working group will be:

1. To consider the enhancement of DIFC as a wealth management provider and succession planning platform for GCC families.

2. To expand the DIFC's core offering to the international wealth management community.

Led by David Russell AM QC (Chairperson), Barrister, Outer Temple Chambers, the working group includes a number of leading global and local professionals in the wealth management industry, as well as representatives from the DIFC centre bodies.

At the recent STEP Arabia conference in Dubai, David Russell commented that findings and recommendations by the working group will be considered. The anticipated outcomes will include modernisation of the DIFC Trust Law, adoption of Foundation legislation and administrative simplifications.

According to DIFC, this initiative forms part of a broader consultation process planned by the Governor's Office to constitute a number of working groups to advise its Strategy and Policy Committee on key initiatives going forward. The consultation process is intended to be extensive, so as to ensure that the DIFC is abreast of the most recent developments in the areas covered by the working groups, and able to identify those elements of best practice which will enhance the leading role of the DIFC in the region.

GCC - VAT News

In a significant development, the United Arab Emirates has announced on 24 October the establishment of the Federal Tax Authority, under Federal Law number (13) of 2016.

Following the announcement, the Ministry of Finance of the Sultanate of Oman confirmed its participation to implement VAT by the beginning of 2018.

In an announcement made to the Oman News Agency, HE Saud Nasser Al Shukaili, secretary-general of Taxation at the Ministry of Finance, confirmed that, in accordance with the joint efforts between Oman and the other GCC states, the tax will be officially approved and will begin to be implemented starting from 2017.

The anticipated imminent agreement of the GCC Treaty is another significant step forward in the journey towards VAT implementation, and businesses should continue to consider the likely impact VAT will have on them, and begin preparations to ensure compliance with the VAT laws when announced.

In accordance with the joint efforts between Oman and the other GCC states, VAT will be officially approved and will begin to be implemented starting from 2017.

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