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Fiducia

ASIACITI  TRUST

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Developments in the Cook Islands



Asiaciti Trust in the Cook Islands

Our Cook Islands trust company, Asiaciti Trust Pacific Limited, is now in its 35th year of business operations as a trustee company, having commenced business on 28 April 1986. After initially focusing on corporate services and trustee services for clients in the Asia Pacific region, in 1993, we developed a strategy to focus on asset protection trust structuring for USA based families and entrepreneurs. Since then, we have built a significant position as a key participant in that market, working principally through law firms and other professional advisors.

As a family owned independent trustee company, our Cook Islands office has successfully presented a stable, responsive, and professional client service focused platform, for international clients seeking foreign based asset protection structuring.

Board Members



Graeme W Briggs
Founder & Chairman
Asiaciti Trust Group



Jerome Briggs
Chief Executive Officer
Asiaciti Trust Group



Colin Porter
Managing Director
Asiaciti Trust Group

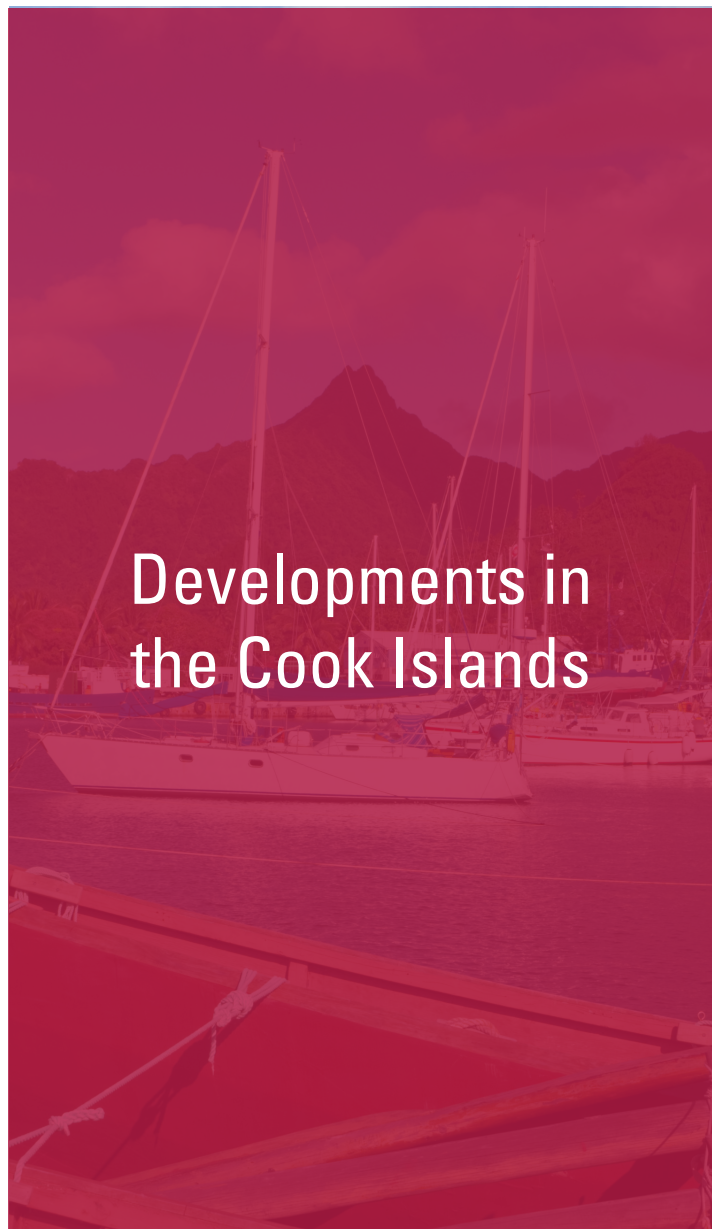
Management Team

The management of the Asiaciti Trust Cook Islands operations is headed by Tine Ponia as Managing Director with the assistance of a loyal team of 12 other professional support staff. Apart from three new staff employed in 2020, the average employment period for other staff members exceeds 10 years with several staff nearing 20 years of service with Asiaciti Trust.



Tine Ponia
Managing Director
Cook Islands

Tine Fa'asili Ponia is a New Zealand lawyer and a full member of STEP. She is admitted to practise law in New Zealand and the Cook Islands. Prior to joining Asiaciti Trust Pacific Limited in April 2013, as Legal Counsel, Tine worked in commercial litigation in New Zealand and had significant experience in the Cook Islands international trust industry.



Developments in
the Cook Islands

The Cook Islands Finance Centre

In 1981 the Cook Islands Government introduced legislation to establish an international finance centre with the initial focus on Asian Pacific regional investors and businesses. However, in 1989, the Government took the innovative step to pioneer the introduction of trust legislation specifically focused on asset protection, which became attractive to USA based professionals and entrepreneurs. The strength of that legislation was ultimately supported by decisions of the Cook Islands judicial system, principally the High Court and the Court of Appeal. The judges on both courts are appointed from the senior New Zealand judiciary. The Cook Islands remains the leading international jurisdiction for asset protection trusts, and that work is currently the primary focus of the finance centre.

The finance centre is a key component of the Cook Islands economy employing over 250 people and being a significant contributor to the national GDP. The centre has remained open during the COVID-19 pandemic with no significant decrease in productivity, employment or client service, although courier and mail services have been disrupted due to reductions in international air services.

The Cook Islands Finance Centre is regulated and administered under the supervision of the Financial Supervisory Commission (FSC), an independent statutory government body.

The promotion and development of the Cook Islands Finance Centre is the responsibility of the Financial Services Development Authority, a statutory body that operates as "Cook Islands Finance".

Cook Islands Finance Strategic Plan

As the finance centre nears the conclusion of its fourth decade of operations, Cook Islands Finance has recently released a five year strategic plan to further develop and promote the centre as *"a relevant, compliant and progressive financial centre, responsive to the needs of a global client base"*.

The strategic plan acknowledges the challenge that the Cook Islands finance centre faces from the push by various international organisations against "offshore" centres for tax transparency and the removal of preferential or (so called) harmful tax regimes. Separately the Cook Islands Government has acted to comply with these demands and is moving to adopt a national territorial tax system which would tax all Cook Islands resident entities on domestic source income but exempts some forms of foreign source income. From our experience, the income of most Cook Islands asset protection trusts is, in any event, taxed in the country of residence of the trust settlors or grantors.

The plan highlights the current strengths of the centre which include the quality and maturity of the asset protection trust legislation, the independent judiciary (*see comments above*), compliance with international regulatory standards, and high quality service. On the other hand, the plan notes the primary weaknesses as inadequate technology infrastructure and the need for diversification. An upgrade of the technology infrastructure is well advanced with the Manatua optical fibre submarine cable installed and due to become fully operational before the end of 2020.

Proposed initiatives under the strategic plan include diversification into new business sectors, the development of new products in both existing and new business sectors, and proactive legislative amendments to meet market needs.

Asiaciti Trust welcomes this initiative from Cook Islands Finance and looks forward to continuing to be a major participant in the global asset protection trust business.

Product Development

An early initiative under the Cook Islands Finance strategic plan is the proposed launch of a new trust product that introduces the concept of trusts designed to protect matrimonial property. Recognising that courts are increasingly voiding nuptial agreements and arbitrarily dividing matrimonial property, the new legislation aims to provide a neutral and comprehensive trust regime that will ensure family wealth is protected in the event of spousal separation or divorce. The legislation is expected to be passed by the end of 2020. We will provide further information on this exciting new product once the legislation is released.

Currently the COVID-19 related global travel constraints prevent us from undertaking our long standing programme of regular visitations to our USA based professional referral network and clients. We intend to resume that programme as soon as it is safe, and possible, to do so. In the meantime, the Asiaciti Trust Cook Islands office continues to operate in full support of our clients and their trust administration requirements. We thank you for your continued support, particularly in these difficult times.

Should you require further information, please contact Tine in our Cook Islands office or email us at cook_islands@asiacititrust.com.

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