Welcome from Jesse Hester,
Founder, Atlas Corporate Services

Welcome to the August issue of the Atlas Corporate Services Newsletter. This month, we continue to offer a selection of the latest industry news, together with a focus on popular services and jurisdictions and an update from within the Atlas camp.

Registries are traditionally quieter during the summer months, making August an optimum time for speedy company registration for the creation of new structures and entities. Contact us to discuss your specific requirements in order to take advantage of our highly competitive rates for nominee directors and shareholders.

Atlas continues to grow according to our expansion strategy that we set in place earlier this year. Part of our growth has seen us gain a Bureau Veritas accreditation in recognition of our management procedures. This qualification is important to us; we're currently working behind the scenes to prepare for our next audit in September, during which we hope to upgrade our ISO certification to 9001: 2008. Expansion and strong management systems are being supported through a new company look and feel. Look out for our new corporate identity on our stationary over the coming weeks.

We hope that you enjoy the selection of news this month – from a closer look at recent Protocol ratification in Cyprus in our jurisdiction focus to news on a report from the Institute of Directors, one of the first bodies to issue a public statement in response to the threat of G20 sanctions.

We value all client feedback from our clients so please do use this newsletter as a way of getting in touch with us.

With Best Wishes,

Jesse Hester
Founder

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Atlas Jurisdiction Update - Cyprus Focus

Cyprus offers the lowest taxation rate in Europe, set at 10% for both on and offshore companies since 2003. The government has further worked to attract foreign investment through the ratification of some 40 double taxation treaties. This has resulted in Cyprus' position as international financial centre, allowing it to compare favourably against other jurisdictions.

A particularly successful protocol's has been the 1998 tax treaty with Russia, one of the most favourable of those the Russian Federation has concluded. Recent ratifications to the Protocol, taken in April 2009 will continue to foster economic relations and have resulted in Cyprus' removal from Russia's 'blacklist' which will mean that dividends received by Russian companies from Cypriot subsidiaries can qualify for the Russian dividend participation exemption.

The treaty can be used as an example of Cyprus' commitment to retaining its competitive international edge and compliance with the OECD Model Treaty principle. The most significant ratification follows OECD guidelines stating that gains on the sale of shares in real estate property-rich companies should be taxable in the country where the real estate is situated. It is expected that this will come into force on 1 January 2014.

Other changes include:

- Increased focus on the definition of 'resident' for an entity

- Extension of the meaning of permanent establishment to allow for additional taxation circumstances
- Changes to taxation from international traffic to follow the OECD Model
- The article on exchange of information is replaced by the latest OECD Model Treaty equivalent
- The article on assistance in collection is replaced by wording almost identical to the latest OECD Model Treaty equivalent

Other steps are being taken to increase Cyprus's international appeal. The Cypriot Minister of Foreign Affairs Markos Kyprian met with the Foreign Minister of the United Arabic Emirates, Sheikh Abdullah Bin Zayed Al Nayan, 23 June 2009 to work towards the a speedy implementation of a new Double Taxation Treaty.

Furthermore, On July 10, 2009, the European Investment Bank inaugurated unprecedented cooperation with three Cypriot banks, the Bank of Cyprus, Marfin Popular Bank and Hellenic Bank, to provide additional support in the financing of entrepreneurial activity in Cyprus.

At Atlas, we anticipate that these steps will further enhance the popularity of Cyprus as a European investment hub. Please contact one of our team should you be interested in doing business in Cyprus.

UK Bosses Urge Leaders To Tread Carefully With Low Tax Jurisdictions

A 'crack down' on tax havens by global leaders, while politically popular during a time of worldwide recession, may not be the most economically-sensible course of action for longer-term global prosperity, the UK's Institute of Directors (IoD) has warned. This paper comes in response to the communiqué adopted by the

G20 nations following the London Summit, spearheaded in recent weeks by Gordon Brown and French President Nicholas Sarkozy.

In a new paper released on July 27, the IoD criticized the “obvious” response of the G20 nations at the London summit in April to the worldwide financial crisis – namely more cooperation between the powerful high-tax states and a renewed push to purge the world of low-tax offshore financial centres – warning that these “may not be the most productive” choices. The Institute argues that states should be left to set their own rates of tax – either very low or high – and that the principle of national sovereignty must be accepted by the more influential G20 members, such as the United States and Western European nations.

“A state is perfectly entitled to set very low tax rates if it wants, although other states are equally entitled to respond with legislation that would eliminate tax savings for their own residents,” stated the IoD, which counts 52,000 directors and company bosses ranging from small enterprises and voluntary organizations to large corporate among its membership.

”Many of the obvious responses would involve co-operation between higher-tax states,” the IoD noted. “Some co-operation can be beneficial, but some would damage the economy because it would amount to a cartel between states. Even co-operation that merely lessens the pressure to reduce administrative burdens can be damaging.”

The paper goes on to argue that low-tax jurisdictions can have positive roles to play in the global economy by “allowing specific profit-sharing structures between joint investors to be implemented without affecting overall tax burdens one way or the other.”

“There are some bad jurisdictions, which facilitate tax evasion or worse crimes,” observed Richard Baron, Head of Taxation at the Institute. However, he added that: “we must also recognise that low-tax jurisdictions can oil the wheels of commerce. It is perfectly reasonable for other states to act to protect their tax revenues, but they must be careful not to throw grit into the mechanism."

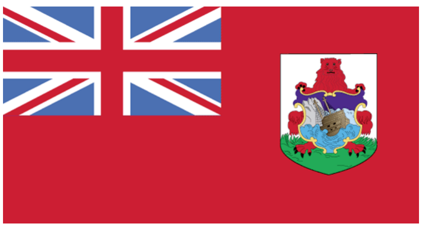
"Low-tax jurisdictions are also a constant reminder to us that tax burdens do not have to be high," Baron said, concluding that: "the most constructive response to them would be to chart a gently downward course for tax rates, thereby promoting economic growth."

US And Switzerland Reach UBS Deal

Eleventh-hour talks on July 31 between the US and Switzerland have spurred an "agreement in principle" in an ongoing dispute to force UBS to divulge the names of 52,000 offshore account holders. The deal comes after the US Department of Justice last week said it would press ahead with legal action on August 3 after diplomatic efforts to reach an agreement had failed.

Negotiations are continuing to finalize the details of the agreement. A full statement is expected on August 7. An evidentiary hearing has been scheduled for August 10 should the deal fall through.

Story Continues



Bermuda Concludes TIEA With Ireland

Bermudan Minister of Finance Paula Cox announced on July 27 the signing of a tax information exchange agreement (TIEA) with Ireland. The TIEA was signed at the Irish Department of Finance by Minister Cox and Irish Minister of Finance, Brian Lenihan.

Following the signing, Minister Cox said she was delighted to be in Dublin to sign the agreement with Ireland and thanked Minister Lenihan for making every effort to sign with Bermuda so quickly, especially given the importance that the OECD attaches to the number of TIEAs signed by each country.
“This marks Bermuda’s 14th signed TIEA and demonstrates, once again, that we are far from complacent about our current standing on the OECD white list, nor about reaching the internationally agreed standard of 12 signed TIEAs set at the April 2 meeting of the G20, or the original OECD standard of 12 signed TIEAs with members of the OECD which we undertook to complete prior to the 2009 Global Forum scheduled to meet in Mexico on September 1, 2009. I am extremely pleased to note that prior to this important forum, Bermuda adheres to both versions of the OECD standard.”

Story Continues

US States Rush To Close Revenue Holes

Falling tax revenues, rising expenditure and widening budget deficits are forcing many US states to make frequent changes to their tax codes to cope with the worst budgetary crisis for several years.
According to the fiscal policy organization the Tax Foundation, many states have started the new fiscal year with tax codes that are “vastly different” compared to just a few months ago. Indeed, the frequency with which tax code changes have come in their first half of 2009 has forced the Tax Foundation into the unprecedented step of publishing a mid-year update to its "Facts & Figures" booklet, which compares the 50 states on 37 different measures of taxing and spending.
"Accurate and timely information on state fiscal issues is more important now than ever, especially as lawmakers in many states continue to struggle with budget shortfalls,” said Tax Foundation President Scott Hodge.

Story Continues:

Italy's Anti-Crisis Incentives Pass

The Italian government's anti crisis incentives package has passed into law, with only a few amendments introduced during its transit through parliament. Its net budgetary effect is calculated to be largely neutral, but the productivity of certain of the approved measures cannot be estimated.

The main corporate tax incentive has been retained intact. In order to try to unblock private investment in the recession, 50% of corporate profits re-invested in machinery will be free of tax until June 2010. This measure is expected to cost over EUR1.8bn in 2010 and EUR2.3bn in 2011.

Story Continues: