

## ATLAS NEWSLETTER

### JULY ISSUE

Welcome to the July issue of the Atlas Corporate Services newsletter. Once again we're bringing you a selection of the most relevant news from the world of corporate services and an update from the Atlas camp.

Over the past month we've continued with our planned internal expansion. Today we welcome new team member Dia Constantinou, who was formerly a Director of a major administration firm in Cyprus. We're delighted that she's made the move to Dubai and I'm sure that a number of you will be introduced to her very soon.

Work took me to London twice in June and I had the pleasure of fitting in a few meetings with some of our London based clients. As well as being a great chance to catch up, it was helpful to listen to your feedback on how we might work closer together in the future. We're taking your comments on board and will be keeping you updated on new products and services that will further enhance our service offering.

In recent months the G20 summit has drawn much attention to the issue of international tax evasion and disclosure of information by specific jurisdictions. I know this is a relevant area to many of you, so this month we've offered an update on jurisdiction compliance with the OECD tax standards. Dubai has always been on the White List, and we note that at the time of writing the last three jurisdictions have been removed from the 'Blacklist'.

This issue we focus on Ras Al Khaimah, a neighbouring Emirate to Dubai and an increasingly popular offshore centre with those clients seeking a presence outside of Europe. RAK is illustrative of the strength of the UAE as a whole, where features such as top-

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level banking and a 0% tax rate make for prime investment conditions.

Your thoughts are valued to us, so please do let me know if you have any comments on the format or content of our newsletter.

With Best Wishes,

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**Atlas Service Focus - RAK Offshore IBC (International Business Company) Formation**



RAK is one of the fastest growing emirates in one of the fastest growing economies in the world - the United Arab Emirates. Renowned for its natural beauty and art de vivre, Ras Al Khaimah has also gained a reputation for being a transparent, tax-free, corruption and red tape free location for IBCs (International Business Companies). The RAK Investment Authority (RAKIA) launched the IBC concept in January 2007 with RAK Offshore. RAK International was later introduced in June 2009.

RAK Offshore allows any non-resident individual or moral entity to open a company registered within the RAK Free Zone, governed by UAE law. RAK International goes a step further, offering companies the freedom to select the country under whose laws their company will be governed.

Both RAK Offshore and RAK International can be set up extremely quickly and can serve many objectives: trading operations, asset protection, tax planning, real estate holding, trusts and funds. All operations are managed by the Registrar, under control of the RAK Investment Authority (RAKIA) and the independent and dedicated Financial Services Authority (RAKFSA), as well as the Central Bank of the UAE.

Advantages of RAK Offshore and RAK International Companies:

- A strategic location at the crossroads of East and West
- A modern telecommunication and transport infrastructure
- Only one shareholder and director required
- Board Meetings can be held anywhere
- Identity of shareholders is kept confidential under law

- The UAE is one of the most financially and politically stable countries in the GCC and world-wide

It is worth noting that RAK Offshore companies may not:

- Carry on business within the UAE
- Obtain a UAE Residency Visa
- Do banking and insurance business without a special license

Atlas can pass on preferential formation rates through its network of partners. **Contact the Atlas team in order to learn more about setting up a RAK Offshore company today.**



### Cyprus and UAE ministers meet to discuss imminent signing of double-tax convention



The Cypriot Minister of Foreign Affairs Markos Kyprianou had a meeting on June 23 with the Foreign Minister of the United Arab Emirates, Sheikh Abdullah Bin Zayed Al Nayan to discuss increased cooperation between the two countries, especially within trade. Both diplomats underlined that a proposed double tax convention between the two countries should be signed in earnest to increase trade and investment flows.

Issues discussed during the meeting included bilateral relations and the relations of the EU and the Gulf countries. During the meeting it was agreed that both countries would work for the further improvement and expansion of relations between the between the GCC (Gulf Cooperation Council) and the European Union (EU) countries.

In statements after the meeting, Kyprianou said that he was happy and proud to welcome his counterpart from the United Arab Emirates and noted that the two countries have a tradition of longstanding excellent relations of cooperation on the political level as well as on the level of the people. One such example was the important role that the United Arab Emirates played for Cyprus after the 1974 Turkish invasion and the subsequent collapse of the Cypriot economy. Subsequently, many Cypriots entrepreneurs were able to relocate to the UAE where their income contributed to the rebuilding of the economy of Cyprus.

The Republic of Cyprus recently opened an embassy in Abu Dhabi, which was described by Kyprianou as..."a demonstration of the excellent level of the relations between the two countries".



### Berlin Conference confirmed commitment to fighting international tax evasion



The offshore environment is shaped by changes in legislation and at Atlas we ensure that we stay abreast of the latest developments. The well-documented G20 summit (2 April 2009) has led to increased pressure on jurisdictions to commit to international levels of cooperation as set by the OECD (Organisation for Economic Cooperation and Development). A recent conference hosted by France and Germany underlined commitment to ongoing action.

The meeting (23 June 2009) saw ministers from 19 countries review progress on fighting international tax evasion. The meeting formally welcomed recent moves by significant financial centres, including four OECD member countries, towards implementation of the OECD standard on transparency and exchange of information in tax matters.

A significant outcome of the meeting was the development of defensive measures to protect the participating states' tax base against those countries and territories not implementing the OECD standards. Such measures include increased withholding taxes regarding payments to non-cooperative jurisdiction, termination of treaties with countries and territories that refuse to participate in an exchange of information and increased disclosure requirements on financial institutions working on transactions with non-cooperative jurisdictions.

Additionally, the importance of the availability of information regarding the beneficial owners of bank accounts, investment vehicles and other financial assets for taxation purposes was noted. The Conference asked the OECD, the Financial Action Task Force (FATF) and the EU to explore ways to facilitate access to information in regard to trusts, foundations, shell corporations and other arrangements that may be used for tax-evasion purposes.

The government of Liechtenstein, which was not invited to take part in the conference, announced that it supports the outcome of the conference and has entered into negotiations with the EU and several other states for implementation of the OECD standards.

During the conference, Hans-Rudolf Merz, Switzerland's federal president, affirmed Switzerland's position of international cooperation regarding the exchange of information in tax matters and stated that Switzerland has concluded negotiations on six double taxation agreements.

An update on jurisdictions surveyed by the OECD Global Forum in implementing the internationally agreed tax standard [can be viewed here](#).





UK Treasury minister, Stephen Timms, has announced details of the UK's treaty negotiating priorities for the year to March 31, 2010. Timms, Financial Secretary to the Treasury, disclosed in a July 1 announcement that the government intends to take forward work on new tax conventions with almost 20 onshore and offshore jurisdictions, including Australia, Austria, Belgium, the British Virgin Islands, the Cayman Islands, Croatia, Ethiopia, Germany, Hungary, Israel, Luxembourg, New Zealand, Oman, Qatar, Spain, Switzerland and Thailand.

The UK's double taxation convention priorities are reviewed by the government each year to ensure that the treaty network continues to meet the needs of the businesses and individuals receiving income from abroad.

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## Liechtenstein Parliament Ratifies TIEA With US



Approved unanimously by Liechtenstein's Parliament, the country's Tax Information Exchange Agreement (TIEA) with the US, signed in December 2008, is due to enter into force on January 1, 2010.

Liechtenstein's new Law on Administrative Assistance in Tax Matters (US TIEA Act) is designed to incorporate the individual provisions contained in the agreement into the country's existing law. Under the terms of the agreement, an exchange of information will only be granted upon receipt of a justified request submitted by the US tax authorities, which may be determined by a Liechtenstein court.

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## Bahamas To Establish Financial Services Authority



Zhibargo Laing, The Bahamas' Minister of State at the Ministry of Finance, has confirmed that a Financial Services Authority (FSA) is to be established in order to better regulate the Bahamian finance industry.

"The government is giving renewed focus to the financial services sector - the second pillar of the Bahamian economy," Laing said.

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## Gibraltar Budget Reshapes Fiscal Outlook For Corporates



Gibraltar's Chief Minister Peter Caruana delivered his 2009/2010 budget speech on June 26, outlining plans for the reform of the jurisdiction's tax system to apply a 10% corporate tax rate, and other incentives to allow it to compete with the world's leading international finance centres.

Gibraltar's long-awaited new corporation tax system has been in the pipeline for many years due to a challenge to its legitimacy by the European Commission (EC), an argument centred on Gibraltar's fiscal autonomy from the UK. The European Court of First Instance ruled in favour of Gibraltar on December 28,

2008, accepting the jurisdiction's arguments on each and every issue, relating both to regional selectivity and material selectivity, thus reaffirming its fiscal autonomy and allowing it to continue with its reforms.

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