

# Financial Security

SECURITY . TRUST . DEPENDABILITY



DGM FINANCIAL GROUP



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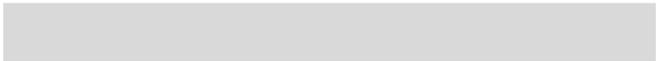
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DGM Financial Group

# Corporate History

DGM Financial Group has been providing comprehensive global financial services to individuals, trusts, corporate and insurance 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.



## Security & trust you can depend on.

DGM Financial Group has been providing comprehensive global financial services to clients for over 20 years.

DGM Financial Group provides Trust Administration, Corporate Services, Management Services to insurance and non-insurance companies, Family Office, Director Services, Immigration Services, and is a Listing Sponsor on the Barbados Stock Exchange.

DGM Financial Group 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, insurance and commerce.

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.



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 and St. Lucia. We provide a comprehensive range of services for the establishment and administration of domestic, international, special purpose and reserved power Trusts. DGM Trust Corporation is also a listing sponsor.

## DGM Management Services Inc.

offers administration services including accounting, bookkeeping, preparation of annual financial statements, payroll and tax computations as well as a complete and bespoke service to high-net worth families seeking a personalized and confidential handling of their business and personal affairs.

## DGM Directors Inc.

is incorporated under the Companies Act of Barbados to provide Directorship Services.

## DGM Captive Management Inc.

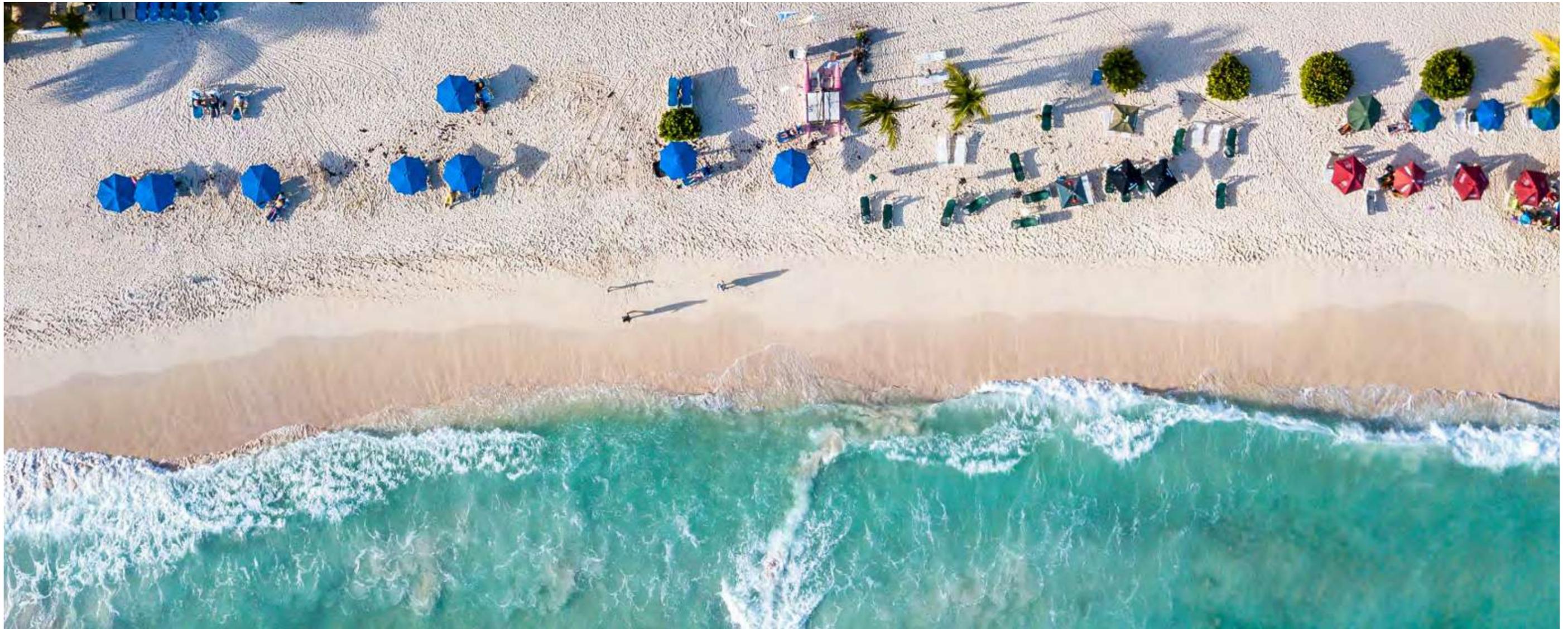
is licensed under the Insurance (Amendment) Act of Barbados offering complete management services to Insurance Companies.

## DGM Captive Management (Alberta) Limited

is incorporated under the Business Corporations Act (Alberta), offering complete management services to Insurance Companies licensed in Alberta.

# Barbados

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.



Barbados is the most easterly of the Caribbean islands situated approximately 1,600 miles south east of Miami, with an area of 166 square miles and a population of 285,000.

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THERE ARE DAILY DIRECT FLIGHTS FROM:

Miami (3 ½ hours), New York (4 hours)  
Toronto (5 hours) and London (8 hours)

## Independent & Stable

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.

# Advantages of Barbados

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

## 01 Stability

Barbados has a long history of political, social and economic stability.

## 02 Reputation

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.



Barbados remains committed to the implementation of global tax standards and was one of the first countries in the Caribbean to converge its local and international tax rates, making its tax system globally competitive, while bringing the country in line with the OECD's Base Erosion and Profit Shifting (BEPS) Initiative.

Barbados continues to honour its commitment to be fully compliant with the BEPS Action 5 and GloBE Pillar Two rules

**Barbados is not on the EU or OECD blacklist.**



## 03 Workforce

A well-educated and skilled workforce, as well as a developed infrastructure and telecommunications system provide significant benefits to international corporations and individuals.

## 04 Competitive

Barbados Company formation is cost competitive and fast. The cost of doing business in Barbados is less expensive than in many other international jurisdictions.



## 05

# Barbados Residency Program & Special Entry Permits

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, 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 Financial Group has successfully secured an increasing number of Special Entry permits for our clients.**

## 06

# Attractive tax rate

Barbados legislation provides attractive tax concessions and incentives. Companies operating in Barbados are subject to a new corporate income tax rate of 9% which became effective January 1, 2024. Small business companies (below USD\$1M revenue) will remain subject to a lower rate of 5.5%, insurance companies will continue to be taxed at 0% or 2% depending on their classification, income derived from qualified intellectual property activities will be taxed at 4.5% and international shipping activities which are exempt from the Global Minimum Tax will continue to be subject to the existing regime on a sliding scale from 5.5% to 1% depending on their profit.

Companies that earn 100% of their profits in foreign exchange are entitled to a Foreign Currency Permit which entitles them to very attractive tax exemptions.

## 07

# Tax treaty network

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 and growing number of Double Taxation Agreements, Bilateral Investment Treaties, and Tax Information Exchange Agreements.

## • Bilateral Investment Treaties (BITs)

Barbados has signed 11 Bilateral Investment Treaties with:

Belgium/Luxembourg Economic Union*		
Canada	China	Cuba
Germany	Ghana**	Italy
Mauritius	Switzerland	UK
Venezuela		

\* Awaiting ratification.

\*\* Terminated and being renegotiated



## • Double Taxation Agreements (DTAs)

Barbados has an expanding international tax treaty network.

To date there are over 40 double tax treaties, which have been concluded with:

The United Kingdom  
Finland  
Switzerland  
China  
Botswana  
Caricom\*\*  
Luxembourg  
Czech Republic  
Qatar  
United Arab Emirates  
Rwanda\*  
Cyprus

Canada  
Norway  
Venezuela  
Malta  
Austria  
The Seychelles  
Panama  
Iceland  
San Marino  
Ghana\*  
Italy

USA  
Sweden  
Cuba  
Mauritius  
The Netherlands  
Mexico  
Spain  
Bahrain  
Singapore  
Portugal  
Slovak Republic\*

\* Not yet entered into force.

\*\*The CARICOM DTA counts as 10 DTAs. These are with Antigua, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.



## • Tax Information Exchange Agreements (TIEAs)

Barbados remains steadfastly committed to the development and enhancement of its unique network of Double Taxation Agreements, as well as to the implementation of the OECD's Global Forum standard on transparency and tax information exchange.

To date, Tax Information Exchange Agreements have been concluded with the following countries:

Denmark | Greenland | Faroe Islands | South Africa | Colombia\* | USA

\* Not yet entered into force.

Several other treaties are currently at various stages of negotiation.

# Our Services

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

## Our Corporate & 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
- Listing Sponsor 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.**





DGM Financial Group collaborates with tax and legal advisors and other professionals to create the right structure for everyone'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.

For many wealthy families and individuals, Trusts form an important part of the estate and wealth management planning process. Trusts 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 & Private Trust Companies in Barbados

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 Financial Group is a leading provider of trusts and other fiduciary services.

**01 Barbados Trusts** are governed by the Trusts (Miscellaneous Provisions) Act, 2018-49 ("the Act") and are domiciled for Barbados tax purposes where any three of the following things are satisfied:

- The Settlor is resident in Barbados.
- The Beneficiaries are resident in Barbados.
- The proper law of the Trust is located in Barbados.
- The assets of the Trust consist of property situated in Barbados.

Once any three of the four requirements are not satisfied then the trust would be deemed resident but not domiciled for Barbados tax purposes. Barbados Trusts are also beneficial for residents of tax treaty countries seeking benefits under those treaties. Features of a Barbados Trust include:

- The Trustee must be a Barbadian resident individual or Company.
- The Trust pays tax on Trust income not distributed to Beneficiaries in the calendar year in which it is earned, if it is domiciled in Barbados. Trusts that are resident but not domiciled, are only taxed on a remittance basis.
- Capital Gains are not subject to tax.

**02** **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. 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.

**03** **Private Trust Companies (PTCs)** 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 then 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.



**04** **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.



# Companies

All entities are classified as **Regular Barbados Companies (RBCs)** or **Societies with Restricted Liability (SRLs)** and are able to conduct business locally, regionally and internationally. Those entities with 100% of their earnings in foreign currency will receive a Foreign Currency Permit (FCP) giving them attractive benefits and exemptions.

## Tax Updates

### Global Minimum Tax

In compliance with the GloBE Pillar Two rules, Barbados has enacted the Corporation Top-Up Tax Act which imposes a qualified domestic top up tax on qualifying resident companies that are members of a Multinational Enterprise (MNE) group with annual consolidated revenue of EUR750M or more, to achieve the global minimum tax of 15%.

### Domestic Tax Rates

**Effective January 1, 2024, all companies operating in Barbados are now subject to a flat corporate income tax rate of 9%, with the following exceptions;**

- Companies that are members of an MNE group with annual consolidated revenue of EUR750M, whose ultimate or intermediary parent entities are located in a jurisdiction which has not enacted top up tax legislation.
- Small Business companies (below US\$1M revenue) which are owned by Barbados residents, excluding holders of Foreign Currency Permits, are subject to a lower rate of 5.5%.
- Insurance companies will continue to be taxed at 0% or 2% depending on their classification.
- International shipping activities, will continue to be taxed at the existing rates of 5.5% to 1% sliding scale depending on their profit.
- Barbados has implemented a new patent box regime where income derived from qualifying intellectual property will be subject to tax a rate of 4.5%.

In practice, this means that Barbados is no longer classified as a “no or nominal tax jurisdiction”, but rather a tax jurisdiction with preferential regimes (insurance, shipping and patent box).

### Foreign Currency Permit:

All entities that earn 100% of their income in foreign currency, from January 1, 2019, are entitled to receive a FCP affording them similar benefits previously enjoyed by IBCs and ISRLs.

These are:

- Exemption from exchange controls
- Exemption from withholding tax on payment of dividends to non-residents
- Exemption from withholding tax on all other payments to non-residents
- Exemption from payment of stamp duty and property transfer tax
- Exemption from payment of value added tax and duties on importation of plant, machinery and raw materials
- Income tax concessions for specially qualified individuals for a period of three years

### Requirements:

The FCP must be renewed annually as follows: for companies incorporated between January 1 and June 30 – no later than June 30; for companies incorporated between July 1 and December 31 – no later than December 31.

An Annual fee of US \$500, if not paid within three business days of the renewal date, will result in automatic expiration of the FCP.

A Declaration by a director/manager is to be filed with the Ministry of International Business and Industry, on or before the anniversary date, certifying that a corporation tax return for the previous year has been filed with the Barbados Revenue Authority and confirming that 100% of the income earned was in foreign currency.

All FCP holders must retain a Corporate and Trust Service Provider, duly licensed under the *Corporate and Trust Service Providers Act*.

### Foreign Tax Credit:

All entities may elect to take a credit in respect of taxes paid to a country other than Barbados.

# Economic Substance Act

Effective January 1, 2021, The Companies (Economic Substance) Act, 2019 (Act 2019-43) ("ESA") became effective for companies in Barbados.

The legislation requires all Barbados resident companies to demonstrate that they have substance in the Island by being directed and managed in Barbados, conducting Core Income Generating Activities ('CIGA') in Barbados, and having adequate people, premises and expenditure in Barbados. CIGA are considered to be the key essential and valuable activities that generate the income of the entity.

A resident company that is carrying on more than one relevant activity is required to satisfy the ES Test in relation to each relevant activity.

The "Relevant Activities" are defined in the ESA as: holding companies, banking business, insurance business, fund management business, financing and leasing business, shipping business, intellectual property business and distribution and service centre business.

A company incorporated in Barbados is not regarded as a resident company for the purposes of the ESA if it is tax resident outside Barbados. Likewise, a company incorporated outside of Barbados, that is registered in Barbados as an external company is not regarded as a resident company if it is tax resident outside Barbados. The legislation requires any such company claiming to be tax resident outside of Barbados to produce satisfactory evidence to substantiate the same. For the purpose of the application of the guidelines of the ESA, an entity which is incorporated in Barbados, but which is not tax resident in any other jurisdiction shall be treated as a resident company.

A resident company shall, after January 1, 2020, file an Economic Substance Declaration annually within twelve months after the last day of the end of each fiscal period of the company.



# Insurance Entities DGM Captive Management Services Inc.

DGM Captive Management Services Inc. is licensed to offer complete management services to International Insurance 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 Mexico.

The licence application must state the general nature of the insurance 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.

There are three classes of licenses available as follows:

### Class 1:

Insurance companies which restrict the business they can underwrite to related party business. *These insurance companies will be taxed at zero.*

### Class 2:

Insurance companies which can underwrite risks of third parties. *These companies will be taxed at a rate of 2%.*

### Class 3:

Includes brokers, intermediaries, insurance management companies, insurance holding companies, etc. *These entities will be taxed at a rate of 2%.*

The Financial Services Commission reserves the right to determine whether a licensee shall be registered in Class 1, Class 2, or Class 3 in relation to its insurance or insurance related business. Where the licensee satisfies the Commission that by reason of:

- (a) its structure or operations;
- (b) the nature of the intended relationship between the body corporate and its intended policyholders;
- (c) the interest of those policyholders;
- (d) the nature of the risk; and
- (e) the level of regulation which is applicable to the risks associated with the insurance business, the Commission may issue a licence under Class 1 or other appropriate class.

# Incentives for Establishing a Captive Insurance Company in Barbados



- Insurance companies can conduct insurance business in two classes described at the prescribed low tax rates
- Insurance Companies are only required to have a minimum paid up capital of US \$125,000
- Barbados regulatory framework is flexible regarding both reserve requirements and applicable accounting principles
- No indication of Barbados adopting the Solvency II Standard
- **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 \$5 million, plus
- c) 10% of premium income for the preceding financial year for premium income in excess of US \$5 million.
- 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 is committed to the OECD's Inclusive Framework on Base Erosion and Profit Shifting. 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.



## DGM Captive Management (Alberta) Limited



### DGM Captive Management (Alberta) Limited offers complete management services to Alberta licensed Captive Insurance Companies.

DGM Financial Group formed a new captive management company in the province of Alberta, in July 2023, in response to Alberta passing new laws in July 2022 enabling captives to be formed in the Canadian province. We saw this as an opportunity to expand our operations into Alberta by establishing a physical office there, which would allow us to better share our extensive captive expertise within a new industry in Alberta. Having a physical office also benefits our clients as it contributes towards the captive's 'Permanent Establishment' (PE) status for tax purposes.

## Incentives for Establishing a Captive Insurance Company in Alberta Canada

- **Licensing time:**  
It takes the Regulator no more than six weeks to approve a new licence.
- **Low licence fees:**  
Licence fees start at CA\$600.
- **Limited Partnership Structure:**  
Alberta allows for the use of a limited partnership structure which may have tax benefits.
- **“Onshore” vs “Offshore”:**  
Onshoring the business to Alberta avoids political and reputational damage of an “offshore” structure which is grossly misunderstood by the public, contrasted with a positive view of the company operating on Canadian soil.
- **Business friendly regulator**
- **Costs Savings:**  
The costs to run a captive in Alberta may be less than in the traditional domiciles as savings can be expected on licence fees, director fees, secretarial fees, and travel expenses.
- **“Approved reinsurer” status:**  
There is a possibility of having the captive considered an “approved reinsurer” by Canada's federal regulator.
- **“Redomesticate” to Alberta:**  
Captives formed and operating outside of Alberta are allowed to transfer/ “redomesticate” to Alberta.

Our experienced professionals provide the following services to **Captive Insurance Companies** 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 arrange banking

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



## 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 for the core is required to be a minimum of US\$125,000 and the minimum capital for each cell is required to be a minimum of 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.*

# Incorporated Cell Companies

This is a company which consists of separate incorporated cells. Each incorporated cell has its own distinct legal persona with its own memorandum and articles of incorporation and its own Board of Directors. It should be noted that an IC is not a subsidiary of its ICC as it has its own separate legal personality.

The essential trait of the Incorporated Cell Company, which differentiates it from the Protected/Segregated Cell Company, its closest peer, is that each cell within an ICC is a separate entity that has its own distinct legal personality. Thus, each cell can sue, or be sued in its own right, with no effect on the other cells within the ICC.

With a Segregated Cell Company, the company itself is the legal personality, not its cells. Both types of company are able to hold ring-fenced assets within distinctive cells, making such assets inaccessible to creditors of the other cells. This degree of asset protection and flexibility make the use of ICCs very attractive, as they are versatile and effective self-purpose vehicles.

## Advantages of the Incorporated Cell Company:

1. The Simplicity of Operation - Each Incorporated Cell is a company with its own Shareholders.
2. Robustness – Separate Legal Entity. No accounting segregation of Assets and this is of particular importance depending on the intended use of the Incorporated Cell Company Structure.
3. Cost of Operation is significantly reduced.
4. Time taken to establish or implement a captive program is reduced.
5. Professional Support - Wide range available.
6. Incorporated Cells can have legally binding contractual relations with and invest in each other, as they are each a separate legal entity.
7. The use as Special Purpose Vehicles – The innovative use of ICCs as SPVs can lead to the transformation of banking products into insurance solutions and for the mitigation of risk.
8. Incorporated Cells can be merged or sold with other companies or Incorporated Cells for that matter.

## Establishment of a Cell:

An Incorporated Cell is created by virtue of a resolution of the Board of Directors which:

- a. approves the name of the incorporated cell being established;
- b. approves the terms of the memorandum and articles of association of the incorporated cell and resolves that the said memorandum and articles of association are to be entered into by the incorporated cell company; and
- c. authorizes, if applicable, the subscription by the incorporated cell company of a share or shares in the incorporated cell.
- d. Once the resolution has been passed, the memorandum and articles of association adopted by the resolution of the Board of Directors are filed with the Registrar of Companies and a certificate of registration is issued in terms of the Companies Act.

# Barbados Stock Exchange

The Barbados Stock Exchange recently established the International Securities Market to attract foreign companies, and Barbados companies that do international business, to list securities, bonds and other instruments.

In April 2019, the Barbados Stock Exchange obtained full recognition from HMRC in the U.K. which will permit companies to list UK securities, bonds and other instruments on the International Securities Market.

The recognition of the BSE by HMRC under the UK-ITA will be of benefit to Barbados and UK investors through the preservation of fiscal benefits and enhanced capital investment by UK investors.

- Securities listed on the ISM may be held in tax advantaged Individual Savings Accounts (ISAs) and Personal Equity Plans (PEPs) by UK investors;
- Holders of debt securities satisfying the Eurobond exemption and listed on the ISM are exempted from withholding tax on distributions underlying these debt securities;
- Inheritance tax allowances may accrue to UK holders of securities listed on the ISM; and
- UK pension schemes will be permitted to hold securities listed on the ISM, giving companies and funds listed on BSE (ISM) access to a larger market of sophisticated, well-capitalised investors.

In July 2019, the Financial Services Commission has approved the regulations to permit the Barbados Stock Exchange to trade Digital Assets including Security Tokens. This approval creates an opportunity for fully regulated Security Token Offerings (STOs) to be issued from Barbados.

**DGM Financial Group is a listing sponsor and can assist with any listings.**





# Family Office Services

DGM Financial Group 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 Financial Group 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 will assist with all stages of the application process.

# Immigration Services

DGM Financial Group 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 will assist with all stages of the application process.

- **Special Entry Permits for High-Net-Worth Individuals:**

The Special Entry Permit route offers Barbados residency to individuals with a net worth of US \$5 million who wish to live and reside in Barbados. The individual must make an investment in Barbados of US \$2 million or more to qualify and have their own health insurance. This investment can include residential real estate where the individual will reside.

- **Work Permits for Business Owners and Employees:**

Companies holding Foreign Currency Permits and conducting international business from Barbados can apply for work permits for business owners and employees. Barbados offers a business friendly and welcoming immigration process that allows companies to expand quickly using international expertise



We look forward to helping you do business in Barbados

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