



CAYMAN ISLANDS
GOVERNMENT

Ministry of Finance Financial Services Secretariat

Opening Remarks Delivered by the Minister of Health, Environment, Youth, Sports and Culture, the Hon. Mark Scotland

**STEP Caribbean Conference 2012 | Monday, 14 May 2012
The Ritz-Carlton**

Check against delivery

Thank you, Mr Walmsley. It truly is an honour to be introduced by you, one of Cayman's most respected and established practitioners in the finance industry.

(Pause)

Salutations. Good morning.

The Premier of the Cayman Islands, the Hon. McKeeva Bush, is travelling on official business, and he's therefore asked me to apologise for his absence today. However, he is returning to Cayman this afternoon, and he will be able to attend tonight's reception at Tiki Beach. The Premier is very much looking forward to meeting you there, for a relaxing evening featuring good food, good music, and good conversation – all delivered Cayman Islands-style.



It's going to be a great time – if possible, it *may* even be better than last night's cocktails and dinner. I understand the dinner was a great success, with the launch of the STEP Caribbean Conference Awards as one of the highlights. Please join me in again congratulating the award winners, including the STEP Caribbean Conference Student of the Year, (name).

I also heard that Donna Brazile gave an outstanding presentation; not unexpected, considering her impressive credentials.

But today, I want to tell you this: Keep holding onto your socks, because today is the official launch of STEP Caribbean Conference 2012, and the agenda is completely packed with presenters who are at the top of their game – hence one of the reasons why this event, with more than 320 seats, is completely sold out.

The other reason why this conference is fully subscribed is because the agenda reflects the fact that financial services is undergoing a sea change right now. And instead of just drifting with the ripples – or, more painfully, being tossed by the waves – it's better to have a strong motor that cuts through the water and gets you where you want to go. You might even want to have two motors.

The matter that seems to be foremost in the minds of STEP members is balancing what *is seen* as external challenges, with the capitalistic drive to increase business – in other words, the opportunities.



You know the external challenges: Unreceptive, and sometimes even aggressive, activist groups. FATCA. And a public that increasingly accepts as truth sensational headlines, instead of salient facts.

But what you and I know is that in response to these matters, STEP is changing its stride. In response to past challenges your members have found opportunities, and government supports you and encourages you in this approach. In order to conduct business in a meaningful, profitable way, it only makes sense to adapt to change; the alternative is unacceptable. And indeed, adapt is what STEP has done – and has done well – for decades. Through our effective legislation and regulation, Government continues to work with STEP, to help the Cayman Islands maintain and improve its standing as a premier trust jurisdiction.

There is no reason why this cannot happen because globally, the sector is poised to grow. There are too many persons in the world who legitimately use trust products. These are the persons who pay their taxes in their home jurisdictions, and *then* look for prudent, effective, and lawful ways to manage their wealth.

Very often, they find those ways in Caribbean jurisdictions. Speaking specifically about Cayman, as that is the only jurisdiction for which I indeed can speak, our regulation and practices have been assessed by the OECD, FSB, and others as being very effective.



Furthermore, just about two weeks ago Jason Sharman, a professor at Griffith University in Australia, noted that the Cayman Islands is one of two countries – out of 183 – that collected *all* of the identity information required by anti money-laundering regulations. Credit for this performance goes to the strong public-private partnership that exists here, which results in our financial services industry being able to offer strong, flexible products that meet client needs, while also adhering to recognised international standards of integrity.

And, speaking of IFCs in general, Professor Sharman – for whom money laundering is a key area of academic research – found that companies located in IFCs were much more compliant than those in OECD or developing countries. Independent reports like his give investors not just confidence, but knowledge in selecting a jurisdiction in which to establish their trusts.

STEP, too, certainly pulls its share in terms of cultivating investor confidence. Based on your education, training, representation and networking efforts, your members acknowledge that the capitalistic drive to increase business should be tempered with ethics. For practitioners, persevering through the process to become a STEP member clearly states that you want to attract *legitimate* business.

And the business is out there – that’s why there’s a session titled “Where the Wealthy Are” on the conference agenda.



As you help families plan their financial futures, you adhere to high standards of good stewardship and financial planning. You help families comply with often-complex tax rules for trusts, estates and inheritance. And you educate your members about access to data, and the strictures that govern this process.

So, before I close I must say thank you, on behalf of Government, for these initiatives. They help the trust sector to distance and distinguish itself from negative public perceptions, partisan politics – yes, I said politics – and highly vocal advocacy groups.

I also thank you for attending the Step Caribbean Conference. It is an honour for the Cayman Islands to host it, and for the Cayman Islands Government to sponsor this evening's reception.

Lastly, I turn your attention to the conference agenda, and I'll rephrase my earlier statement as a question: With the sea change happening in the trust sector today, how strong is your motor? Is it propelling you in the direction you want to go?

Ladies and gentlemen, it is my sincere hope that you will take every opportunity given to you through this STEP conference, and that it will be the best STEP conference that you have attended. Don't get tossed by the waves. Thank you.

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