



## **CAPTIVES – WHY CHOOSE BARBADOS?**

### **Why Barbados?**

Barbados was the only independent Caribbean nation listed on the top tier of the Organisation for Economic Cooperation and Development's (OECD) "Progress Report on the Jurisdictions Surveyed by the OECD Global Forum in Implementing the Internationally Agreed Tax Standard" in April 2010.

A respect for law and order, prudence and conservatism in financial matters, old-fashioned values, excellent infrastructure, well skilled and informed people, low crime, a long tradition of democracy are but a few of the reasons why the former Secretary-General of the United Nations, Kofi Annan, once said that "Barbados punches above its weight". It is characteristics such as these that have earned Barbados its reputation as one of the world's most respected international financial services domiciles, consistently meeting international best practice standards.

The Heritage Foundation gives Barbados an economic freedom score of 67.9, making its economy the 46th freest in the 2015 Index of Economic Freedom. Barbados is ranked 7th out of 29 countries in the South and Central America/Caribbean region, and its overall score is well above the global and regional averages.

Barbados enjoys a positive image in the marketplace as a reputable International Business Centre of choice and has been successfully attracting Foreign Direct Investment for decades, particularly from Canada and the USA. Barbados is the second leading destination for Canadian direct investment abroad (USA is #1, UK is #3), garnering CAD 71.2 billion of direct investment from Canada at the end of 2014 (Statistics Canada).

Barbados also has a well-developed tax treaty network with numerous countries and is currently negotiating with several others.

Companies looking to thrive in a highly competitive global marketplace invest in Barbados, to capitalize on the business-friendly environment, strong human capital, high-quality infrastructure, tax advantages, investment protection, and good quality of life.

### **Business Friendly Environment**

Barbados' business environment is competitive and investor-friendly. Its prudent regulatory environment meets or exceeds international best practices. Barbados' incentive legislation combined with its tax and investment protection treaties create an attractive Net Tax Rate



and secure investment vehicle structures. Barbados has earned a very good reputation for its levels of security and integrity and enjoys positive international recognition for its regulatory systems, anti-money laundering, tax information exchange and other requirements.

The country's strong legal system ensures that property rights are well protected and an independent judiciary guarantees the impartial and effective resolution of disputes.

### **Political, Social and Economic Stability**

The island has a long history of political, social and economic stability that promises a safe and secure environment in which to work and live. Barbados' parliamentary system has been in existence since 1639, making it the 3rd oldest parliament in the British Commonwealth. The country's long-standing tradition of parliamentary democracy and the prudent management of the economy provide a stable foundation for business. Also, Barbados is highly regarded for its freedom from corruption – it is ranked as 1st in Latin America and the Caribbean and 17th among 175 countries in Transparency International's Corruption Perception Index 2014.

These positive features have also contributed to Barbados' ranking in the Index of Economic Freedom 2014 as the 8th freest economy in Latin America and the Caribbean and 45th in the world. Barbados is also ranked by the World Economic Forum's Global Competitiveness Report 2014-2015 as having the 4th most stable banking system in the Western Hemisphere.

### **Quality of Life and Lifestyle**

Barbados is one of the oldest and most stable democracies in the world, with solid systems of education, social support and justice. It is a great place to live, work and play. With its sound infrastructure, business-friendly environment and high quality of life ratings, it is a highly attractive location from which to conduct international business.

There is a wide range of high quality accommodation and a safe and secure environment in which to live, as well as good health care and educational facilities. Being one of the world's leading vacation destinations, the island offers superb dining and entertainment choices along with a wide range of lifestyle activities such as golf, sailing, polo and cricket to name but a few.

Good telephone and other communication services cannot be taken for granted. If one intends to do business or simply wishes to keep in touch, this is an important consideration on which to evaluate a jurisdiction. Barbados, with fibre-optic based telecommunications and recently enhanced competition, has excellent telecommunication services and is very accessible so it is easy to maintain frequent contact for business or with friends and family.



In fact, Barbados was ranked 1st in Latin America and the Caribbean for its network readiness by the World Economic Forum's 2009-2010 Global Information Technology Report; and 2nd in the hemisphere for the availability of latest technologies in the 2009-2010 Global Competitiveness Report.

Barbados has daily connecting flights to and from all of the major centres of North America and Europe. With modern jet travel, Barbados is 3½ hours from Miami, 4½ hours from New York, 5 hours from Toronto, 5½ hours from Montreal, and 8 hours from London.

All of these factors, plus the typically welcoming character of the Bajan people, make Barbados the choice of country for international business. And the weather isn't bad either!

## **Human Resources**

The Barbados educational system is modelled after the British system and is considered to provide one of the highest standards of education in the English Caribbean. The educational system ranges from preschool to University. School is compulsory up to the age of 16 and government schools are free at the primary and secondary levels. Educational institutions at the post secondary level include colleges, a university and vocational and technical training schools. As a result, the educational system has yielded an intelligent, skilled, English-speaking work force and investors can readily access the services of tax advisors, reputable international banks, global accounting firms, lawyers and management companies offering the full range of corporate services.

In the UN Human Development Index 2014, the country ranks 6th in the Americas and 59th in the world in respect of educational attainment, as measured by adult literacy and enrolment at the primary, secondary and tertiary level.

## **Tax Treaty Network**

A major benefit gained from doing business in Barbados is having access to its international tax agreements. Barbados has an expanding network of double taxation treaties which offers tax advantages to investors that use Barbadian resident entities to conduct business in other countries.