

Press Release

For Immediate Release:
April 7, 2009

No. 1/2009

BARBADOS - THE ONLY CARIBBEAN NATION ON THE OECD LIST OF TAX COMPLIANT JURISDICTIONS

On April 2nd 2009, the OECD Global Forum published their much awaited list of countries categorised by reference to their compliance with the Forum's international tax standard. This list was referenced in the G20 final communiqué on April 2nd 2009.

After months of speculation as to whether there would be a non-compliant list, and which countries would be on it, the OECD's Global Forum unit produced not one, but three lists, namely:

- Countries that have substantially implemented the internationally agreed tax standard
- Countries that have committed to comply with the internationally agreed tax standard, and
- Countries that have not committed to the internationally agreed tax standard

In the lead-up to the April 2nd G20 conference, several G20 leaders had railed against "Offshore Tax Havens", and other strongly condemnatory descriptions of International Financial Centres, broadly ascribing blame for the international crisis to those jurisdictions. In the US, the Stop Tax Haven Abuse Act was laid before Congress a short while before the G20 conference, and this bill used a long defunct and inaccurate OECD list to tarnish the good name of numerous International Financial Centres across the world, as "Tax Havens".

Several articles pointing out the inaccuracy and patent unfairness of the various G20 leaders' pronouncements also appeared in the financial press in the weeks prior to the G20 conference. In particular, the Financial Times article, by Prof Avinash Persaud, articulated the case for reputable international financial centres very clearly.

CARICOM leaders met in March to discuss the challenges to international financial centres, and Barbados' Prime Minister Thompson was delegated to lead discussions with European OECD member countries, and to work with the Bahamas Prime Minister in bringing CARICOM member country concerns to the attention of the US leadership. Prime Minister Thompson also participated in bilateral meetings at the IADB conference in Colombia, and took the initiative to meet with several key G20 advisors in London, with the ultimate aim of persuading the OECD membership to reconsider the effect of their stated positions against International financial centres on the economies of small Caribbean states. Collectively, these initiatives combined to help bring some measure of reason to the language of the conference papers, and to the eventual stance taken by OECD members at the G20 summit.

It was therefore gratifying to be able to read Barbados' name prominently featured on the list of countries that have been acknowledged by the OECD Global Forum as having substantially implemented the internationally agreed tax standard, as we have steadfastly maintained was the case all along.

Barbados is, in fact, the only independent Caribbean nation to have made the list of substantially compliant countries. This not only vindicates our assiduous and conscientious efforts over many years in building a transparent, well regulated and treaty-based jurisdiction, and in crafting our treaties on the OECD model, but also confirms that we have international recognition as a highly regarded international financial centre with robust regulatory systems and practices that will allow investors to take a long term view of Barbados as a sustainable jurisdiction. Potential investors can now look to Barbados with even greater confidence in setting up sustainable financial structures to enable them to be more globally competitive, and/or to protect their worldwide investments.

Barbados is also engaged in the global economy in many industries besides financial services, including tourism, international sports, management consulting and other technical professional services like engineering and architecture, agriculture, niche manufacturing, information communications technology, music, fashion and art, medical transcription and other business process outsourcing, and alternative energy.

Barbados' reputation as a high-quality jurisdiction in all respects has now been internationally reaffirmed.

For further information, please contact:

Mr. Wayne Kirton

Chief Executive Officer

INVEST BARBADOS

Tel: 246-626-2000

Email: wkirton@investbarbados.org