Barbados asserts the economic benefits of its offshore structures

- **Barbados Government Embraces Transparency**
- **Use of Barbados associated with job creation**

Bridgetown, Barbados. April 08, 2016 – In response to the global outcry against offshore financial jurisdictions caused by the “Panama Papers” leak, the Government of Barbados issued a statement intended to provide the public with a balanced and rational perspective. The leak has led to the propagation of two highly erroneous stereotypes – that all offshore financial jurisdictions are used to hide money and that they all erode the proper functioning of the global economy. In stark contrast to a widely held label, Barbados is an example of an ethical, fully transparent jurisdiction that enhances the functioning of the global economy.

“We understand that government-to-government secrecy undermines the proper functioning of our global economy given that it can be used as a cover for illicit and illegal activity. Such secrecy creates a flash point for an emotional reaction that is helping to fuel an anti-offshore sentiment in many G20 nations. However, that emotion is leading to the “country profiling” of all offshore financial centers (OFCs) – a practice that negatively stereotypes legitimate jurisdictions,” said, Donville Inniss Barbados’ Minister of Industry, International Business, Commerce and Small Business Development, and Vice Chair of the Steering Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes within the Organisation for Economic Cooperation and Development.

Minister Inniss noted that Barbados has long embraced transparency and the exchange of tax information between governments. As evidence, Barbados has officially and publicly endorsed the OECD’s Global Standard for the Automatic Exchange of Information and has agreed to facilitate compliance with the US Foreign Account Tax Compliance Act.

“Additionally, beyond being highly cooperative and transparent, Barbados’ position as a preeminent low tax jurisdiction attracts business of substance and ethical business structures that provide significant benefits to both domestic markets and the global economy, continued Minister Inniss.

Barbados contributes meaningfully to the international economy and does so because of its network of double taxation and bilateral investment treaties - agreements that effectively act as stimulus structures and enable global trade. Studies conducted by Dr. Walid Hejazi (published in 2015), Professor of International Business, Rotman School of Management, have analyzed the unique and mutually beneficial economic relationship between Canada and Barbados.
According to Dr. Walid Hejazi’s most recent study, the evidence concludes that the use of Barbados by “Canadian companies has delivered significant trade, employment and tax benefits to the Canadian economy.” More specifically, “the use of Barbados by Canadian companies generates between 26,000 and 31,000 additional jobs in Canada.”

Dr. Hejazi concluded by saying “governments should work to deepen relationships with OFCs that have enhanced transparency and exchange of information agreements, with Barbados serving as the model jurisdiction.”

About Barbados’ Ministry of Industry, International Business, Commerce and Small Business Development

The Ministry of Industry, International Business, Commerce and Small Business Development has responsibility for the business sector in Barbados. The International Business Unit (IBU) within the Ministry regulates and licenses international business companies and societies with restricted liability. Additionally, the IBU oversees policy development for the international business sector, facilitates the introduction of new and updated legislation and spearheads the negotiation of tax and investment treaties, as well as exchange of information agreements, on behalf of the Government of Barbados.

About Barbados’ international business sector

Barbados’ international business sector contributes approximately 10% of the nation’s GDP and is comprised of approximately 4,000 entities. Significant vertical markets within the international business sector include financial services, niche manufacturing as well as information and communications technologies.

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1) Barbados: Vital to Canada’s Global Competitiveness, by Dr. Walid Hejazi, published in Transnational Corporations Review Volume 7 Number 1 March 2015, pages 22-43. www.tnc-online.net info@tnc-online.net