



S T E P

S T E P Bahamas Limited

**Society of Trust and
Estate Practitioners**

Annual Report

To Members

Year Ending June 2011

*STEP BAHAMAS, Goodman's Bay Corporate Centre, 1st Fl., P.O. Box N-1764, Nassau, Bahamas
Tel: (242) 323-6612 * Fax: (242) 326-7007 * stepbahamas@step.org*

STEP Bahamas

June 2011 - Annual Report

The annual report is intended to provide an overview to membership of the projects and activities undertaken by STEP Bahamas over the last fiscal period.

I do not propose to read my entire report but rather to highlight a few areas of interest so that you can have a general understanding of what we have been doing over the past year. I invite you to read, at your convenience, the entire report which will be posted to our website.

Overview:

The Society of Trust and Estate Practitioners (STEP) is the professional body for the trust and estate profession worldwide and currently has over 17,000 members spanning over 66 countries in common and civil law jurisdictions.

We provide education, training, representation and networking for our members, who are professionals specializing in trusts, estates, executorships, accounting, banking and related tax and administration matters. STEP members are the most experienced and senior practitioners in their field.

STEP Bahamas is a company limited by guarantee and a wholly owned subsidiary of STEP Worldwide.

The STEP Bahamas Branch was founded in 1996 and now has a membership of over 450 members with over 155 student members. The STEP Bahamas branch is the 7th largest STEP branch in the world and we encourage all eligible persons to consider joining STEP Bahamas.

Please refer to the Branch website at www.step.org/bahamas for more information.

Luncheon Meetings:

Monthly luncheon meetings are held throughout the year, with the exception of July and August when we take a break because many of our members take a break during this period, resuming in September. The aim of these luncheons is to provide a forum for updating members on current issues and trends in the trust and estate industry. In addition, the luncheons provide post qualification education to its members via CPD hours, (Continuing Professional Development). The monthly luncheons provide a source of revenue for the Branch to assist with its operational costs.

In selecting our speakers, we attempt to ensure that the topics presented are relevant to the trust and estate planning professions. The topics are aimed at increasing the competence of our members and friends and adding to their skill-sets.

During the last year the following speakers made presentations at our luncheon meetings:-

Senator The Hon. Vincent Vanderpool-Wallace, Minister of Tourism and Aviation. Topic: “Marketing The Bahamas as a Financial Destination” - June 24, 2010



Ms. Aliya Allen, Partner of Graham Thompson & Co. Topic: “Are we making effective use of the Foundation? My view of how we can make this estate planning vehicle work for us.” - September 23, 2010



Mrs. Cleora Farquharson, Manager, Pension Services, Royal Fidelity Merchant Bank and Trust Limited Topic: “Pension Trusts: Their Benefits to Employers and Employees” - October 21, 2010



Moot Competition between **Graham, Thompson & Co. and McKinney Bancroft & Hughes** - The moot was centered around Section 7 of the Wills Act and Bahamian wills by non-domiciled persons from civil law jurisdictions with forced heirship rules. **Mr. Sean McWeeney QC**, Partner, Graham, Thompson & Co. conceived the moot question and **Mr. Brian Moree QC**, Senior Partner, McKinney Bancroft & Hughes who collaborated with Mr. McWeeney on it. The Moot was judged by Retired Justice of the Court of Appeal, **Mr. Lorris Ganpatsingh** consultant at Lennox Paton & Co., **Thomas A.E. Evans QC**, Senior Partner, Evans & Co., and **Mr. Earl Cash**, Partner, Higgs & Johnson -- November 30, 2010. I am particularly proud of this particular innovation because we intend to make it an annual event of our Branch. You will be happy to know that plans are already underway to bring this event to fruition later this year.



Mr. Jack Brister, Principal, International Tax Services of ERE CPAs, New York. Topic: “An update on the FATCA rules affecting Trustees in offshore financial centres” - February 9, 2011



Mr. Tony Schweitzer, Partner, Fraser Milner Casgrain LLP, Toronto, Canada. Topic: “Offshore Trusts: To Be or Not To Be”- March 24, 2011



Mrs. Linda Beidler-D'Aguiar, Partner, Graham Thompson & Co. Topic: “Smart Funds as an Estate Planning Tool”-April 28, 2011



Mr. George Hodgson, Head of Public Policy, STEP Worldwide, London, England. Topic: “Global initiatives and how they impact your private client business”. May 12, 2011



Other Activities:

STEP Bahamas supports The Bahamas Financial Services Board (BFSB) in its promotion of financial services in the Bahamas. This is accomplished through participation at the Board level of BFSB by STEP in addition to partnering with BFSB in various industry fora. STEP participates on the various sub groups of BFSB, which this year included the Trustee Act, 1998 review committee which has resulted in significant proposed amendments to the Trustee Act, 1998. We will continue to partner with BFSB to ensure that our industry and jurisdiction maintain its competitive position as a leading offshore service provider.

STEP Bahamas Corporate Governance:

STEP Bahamas is governed by its Articles and Memorandum of Association. Guidance is provided in policy and regulations established at the STEP Worldwide.

STEP Bahamas Board Members 2010-2011

Over the past year the work of the STEP Bahamas Branch was greatly aided by the committed support of my fellow directors. The following list comprises the elected Board members for the past year June 2010 to June 2011:

Tanya Hanna	Chairperson and Director
Anita Bain	Deputy Chairperson and Director
Nicole Pratt-Rolle	Treasurer and Director
Timothy Colclough	Secretary and Director
John M. Lawrence	Director/STEP Caribbean Regional Representative
C. Dianne Bingham	Director /Alternate Regional Representative
Karen Haven	Director
Cecil Ferguson	Director
Samuel Haven	Director
Paul Winder	Director (resigned in January 2011 to enable him to focus on his new position as Chairperson of BFSB)
Marie Cargill	Director
Dena Andrews	Director
Samantha Symonette	Director
Joanne Pyfrom	Director
Mark Richford	Director

I would like to say a special thank you to all of these persons for giving so generously of their time and talents to STEP Bahamas Branch. It has been a pleasure working with you and serving as your Chairperson over these past two years.

STEP Bahamas Governance

Board meetings are held monthly except for July and August when the board takes a summer break.

Meetings usually cover matters concerning the following:-

- (a) Continued Professional development of members
- (b) Consideration of applicants for membership to STEP Bahamas
- (c) Seminars and ongoing support activity of financial services
- (d) General administration of the branch
- (e) Regional and worldwide issues affecting the branch and its members
- (f) Participation and support of functions hosted within the financial services sector

Professional Educational Courses



The Goodman's Bay Corporate Center



The training facility at the Goodman's Bay Corporate Center

There are currently three modes of entry into STEP membership. These are the diploma or examination route, the Qualified Practitioner route and the Experienced Practitioner route which was reintroduced in 2008.

The most common route is by examination and attainment of the Trustee Diploma in International Trust Administration. Entry to the Diploma is via the successful completion of the Foundation Certificate, or under certain circumstances exemption from examination from the Foundation Certificate may be attained by submission to STEP Worldwide. In this instance relevant courses would have been completed under another program. The Diploma program covers four papers with the entire program having an estimated time of completion of approximately two years.

The educational program is outsourced to and conducted by our education partner, Central Law Training (CLT). The courses are undertaken via long distance learning, with a one week face-to-face revision course at the end of each module. The examinations are taken on the last day of the Face to Face week. The Face to Face week is held at STEP's training facility at Goodman's Bay Financial Centre and conducted by a lecturer of CLT. The Trustee diploma is now accepted as the standard for employment into senior positions in most Trust companies within The Bahamas. The TEP designation is acceptable in jurisdictions as standard qualification for practice within the industry.

For further information, visit: http://www.clt-stepint.co.uk/attachments/Brochure_Syllabus.pdf

The STEP Bahamas training facility is operated as a dedicated training facility by the Branch. The following face-to-face courses were hosted by STEP Bahamas during the past year:

- a) Foundation – August 9 – 13, 2010
- b) Diploma 2 [a] (Company Law & Practice) – September 13-17, 2010
- c) Diploma 2 [b] – Company Law & Practice – September 20 – 24, 2010
- d) Diploma 1 (Trust Creation: Law & Practice) – January 31, 2010-February 4, 2011
- e) Diploma 3 (Trust Administration & Accounts) – March 7-11, 2011
- f) Foundation – June 20-24, 2011

Financial Support - Scholarships

During its formative years, the Board of STEP Bahamas identified the need to assist individuals in becoming TEP qualified. It was decided to establish a scholarship fund aimed at assisting locals pursuing the Diploma in International Trust Administration. The scholarship fund is designated for candidates who (i) have completed the Foundation course (or are exempted therefrom) and (ii) are faced with the financial challenge of meeting the costs involved with tuition.

The scholarship is provided to assist with one module of the Trust Diploma program. CLT has agreed to support this program by providing a scholarship to a deserving applicant covering an additional module of the Diploma program. Two diploma scholarships were awarded last year. The recipients were George Carey and Clement Penn.

In past years we have awarded more than nine scholarships. All recipients to date have successfully completed their respective modules.



STEP 2010-2011 Scholarship Luncheon L-R: C. Dianne Bingham, Tanya Hanna, Anita Bain, Samantha Symonette, George Carey (Recipient), Clement Penn (Recipient), Nicole Pratt-Rolle, Timothy Colclough, Paul Winder, Dena Andrews, Samuel Haven

Other Activities

STEP Bahamas Board members have been involved in a number of other initiatives within The Bahamas financial sector including the following:

- BFSB Director – the Chairperson of the Board of Directors of STEP Bahamas assumes directorship on the Board of BFSB. I was pleased to serve on the Board of BFSB these past two years.
- Professional Industry Association Working Group (PIAWG) member – this group comprises the various training and institutional organisations in The Bahamas. Our Karen Haven has served as a member of this Group over the past four years.
- BFSB Scholarship Awards Committee member – a member of STEP Bahamas serves on the committee designated for awarding a BFSB scholarship to a deserving Bahamian student. Our Treasurer, Nicole Pratt-Rolle served over these past two years.

- BFSB Careers fest – an open day for college students to find out more about the financial services industry – STEP usually hosts a booth. This year STEP Bahamas collaborated with The Association of International Banks and Trust Companies (AIBT) and shared a booth with them. Our Cecil Ferguson has been the principal liaison with BFSB with respect to the Careers Fest.
- The Nassau Conference sponsored by AIBT. We were pleased to be a member of the steering committee that planned and brought to fruition the hugely successful Nassau Conference held on June 15, 2011. Our Samantha Symonette was our representative on the steering committee.
- STEP Caribbean Conference Steering Committee – Regional members of STEP participate on the steering committee of the STEP Caribbean Conference. This conference is held annually in various locations within the Caribbean, hosted by the local Branch in that region. We have been represented on the steering committee over the past year by two of our Directors, John Lawrence and C. Dianne Bingham.

The 2011 Caribbean Conference was held at The Fairmont Southampton Bermuda, hosted by The Bermuda Branch. The conference is always attended by members of The Bahamas Branch and we were happy to have a contingent of fourteen persons that attended the conference this year.

- STEP Regional Committee – The Regional committee is comprised of a member from each of the STEP branches within a respective region. The Bahamas Branch is part of the Caribbean and Latin American region, which includes Anguilla, Barbados, Bermuda, British Virgin Islands, Cayman, Panama, Turks & Caicos, St. Lucia, and now Mexico City, Montevideo and Uruguay. This now makes the Caribbean and Latin American Region one of the largest in the STEP world.

The Regional Committee is permitted to send two of its members on to Council, the governing body of STEP Worldwide. John Lawrence currently sits on the board of the STEP Worldwide Council, which is the body responsible for overseeing the development and setting policy and guidance for the growth and continuance of STEP worldwide. We are very proud that he is able to represent our jurisdiction in this way.

- Chairman's Conference – each year in November, a Chairman's conference meeting is held in London by STEP Worldwide. Branch Chairmen receive updates on the developments within the STEP Worldwide body. Additionally, there is opportunity to give input on matters that relate to the network of Branches, matters and issues pertaining to STEP its development and advancement. The Chairman's conference plays an intricate part in STEP's global outreach and common vision.

STEP Bahamas Branch continues to grow, with new members joining via the Diploma as well as through the experienced practitioner route. The Branch continues to have a full time administrator to assist with its operations. Our administrator of six years, Robyn Davis resigned this past April to pursue other endeavours. We are grateful for the loyal and committed service that Robyn gave to STEP throughout her tenure. We are also grateful for the efficient and courteous assistance of our administrator, Mrs. Denise Greene, who replaced Ms. Davis in April of this year. The STEP office is located at the Goodman's Bay Financial Centre.

Conclusion

STEP Bahamas continues to be an innovative and creative member of the financial services sector in The Bahamas. Our activities over the past year have been aimed at promoting not only STEP Bahamas but the financial services industry in The Bahamas and our jurisdiction as a whole. We intend to remain focused on training and education and we intend to continue to bring to you cutting edge presentations and activities aimed at increasing our knowledge, competence and skill-sets. We understand fully that we exist in a very competitive world and that our failure to keep on the cutting edge of information, financial products and training will result in The Bahamas losing ground as the offshore leader in the financial services sector. We ask for your continued support as we seek to meet these objectives.

Again I wish to thank my Board of Directors for all of their support over these past two years that I have served as Chairperson. It has been a true pleasure working with you as your leader. I wish each of you all the very best. I also wish to thank you the members for your unwavering support. Some of you provide suggestions and comments on our activities and presentations and we find this very helpful in planning our future luncheon presentations and activities. Thank you and best wishes.

Tanya Hanna
Chairperson