



SAMOA

YOUR OFFSHORE JURISDICTION

Samoa as an IFC for thirty (30) years has become the premier International Finance Centre in the South Pacific, despite perpetual and stringent changes in international regulations and standards.

Samoa has endeavoured to keep abreast of developments in the offshore industry so to provide up to date wealth management solutions for prospective and current investors seeking to establish and maintain structures for their benefit.



History

Under the 1919 Treaty of Versailles, Samoa was made a League of Nations mandate administered by New Zealand. After World War II, Samoa became a United Nations Trust Territory under New Zealand administration. Samoa was the first South Pacific Island to gain Independence in 1962. The current population is estimated at 193,483 (2015).

Government & Administration

Samoa is a Westminster styled Parliamentary democracy. The separation of powers is through the existence of the Legislature, Executive and the Judiciary. Its written Constitution provides for the Head of State, Prime Minister and Cabinet and the Legislative Assembly. General Elections are held every five (5) years. Samoa has established and continues to work towards management of relations with foreign governments, regional and international organisations. Samoa is a member of the Commonwealth, the United Nations, the International Monetary Fund (IMF), the World Bank Group, the Asia Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB) and an associate member of the European Economic Community (EEC).

Economy

Samoa has a stable economy with strategies in place to ensure economic growth through fiscal and monetary policies. Samoa's economy is traditionally agrarian, however with modernisation Samoa has diversified its economic base with the manufacturing and service sectors now becoming significant contributors to the Gross Domestic Product (GDP), driven mainly by the leading industries: Commerce, Business and Finance Services, Transport, Communications and Construction.

The service industry also consists of Legal service providers and Trustee companies that provide legal and financial advice pertaining to international finance services.

There is great optimism and confidence about Samoa's economic prospects buttressed by positive assessments conducted by international organisations like the IMF and World Bank, describing Samoa as the 'model economy' in the Pacific Region.

Regulatory

Samoa has a sound and sensible regulatory system and is taking steps to ensure that this is kept up to date. It has avoided implication in recent money-laundering and tax evasion scandals which have plagued other jurisdictions. Samoa's effort to comply with international standards and regulations, promotes Samoa as an innovative and credible jurisdiction of choice.

Samoa is a member of the Group of International Finance Centre Supervisors (GIFCS), Group of International Insurance Centre Supervisors (GIICS), Corporate Registers Forum (CRF), the OECD's Peer Review Group and the Global Forum on Transparency and Exchange of Information for Tax Purposes. Samoa's membership of these international bodies is evident of the strong regulatory credentials and proactive efforts towards compliance with International Standards.

Legal Framework

Samoa's legal system originates in English and Commonwealth statutory and Common Law. Samoa's court system consists of five (5) District Courts and a Supreme Court manned by five (5) local judges. An Appeal Court made up of overseas judges convenes twice a year to hear appeal cases. There is a separate Land and Titles Court that deals with matters relating to customary land ownership and 'matai' (chief) titles.

The core Acts guiding the International Finance Services provided are based on English law and include aspects adapted from other financial centres' legislation updated and streamlined to provide progressive and compatible legislation for Samoa.

Infrastructure & Communications

Samoa has good infrastructure in terms of commercial and residential buildings, hotels, roads and communication. It is well developed, with the latest infrastructural development including the renovation of the Faleolo International Airport, envisaging more international flights into and out of Samoa. Samoa has hosted numerous events such as the 3rd Small Island Developing States (SIDS) 2014 Forum and the Commonwealth Youth Games (2015) which is evident of its sound infrastructure.

Samoa's ability to compete efficiently in global markets especially in the communications and service sectors is greatly enhanced by improved connectivity through the availability of communications technology. Whilst Samoa is located miles away from its partners and competitors in the International Finance (Offshore) industry, it is digitally accessible; bridging the geographical divide, and giving Samoa competitive opportunity.

Trusts Act 2014

Since 2014 there have been substantial changes in the international finance solutions offered by Samoa particularly in regard to International Estate Planning. Samoa has a wide and modern "Trusts Act 2014" which assures you achieve family succession and asset protection for you and your family. Samoa's Foundations Act 2016 also provides similar benefits, towards achieving successful estate planning and structuring. A Trust under the Act can be in any language. The types of Trusts permitted under the Act include Charitable Trusts and Purpose Trusts.

The Salient features of the Act are as follows:

Anti-forced heir-ship provisions.

Fraudulent trust or disposition to it: 2 year rule for sensible and legitimate asset protection.

Perpetuity: a perpetual trust is the default provision, total flexibility as to fixed period trusts and perpetual trusts.

Retention of Control: Reserved powers to a Settlor, and Protectors, default powers, provision for 'prescribed directions'.

Avoidance of probate; because the assets cease by such transfer to be part of your estate.

Samoa Trust Law provides for taxation exemption for Trust structures where the Settlor and the Beneficiaries are not tax resident in Samoa.

Trust/Limited Partnership Structure

Samoa is also the first jurisdiction to legislate for the combination of a Trust with a Limited Partnership structure, where a Trust governed by Samoan law holds the interest of a Limited Partner in a Limited Partnership, the Trustee of the Trust may retain the interest and is not liable for the acts or omissions of the General Partner of the Limited Partnership. The Trust/Limited Partnership structure has similar benefits compared to that of a Trust, however retention of control is the primary reason for this solution, and there has been a growing interest in the Trust/Limited Partnership structure for international estate planning and structuring.

Foundations Act 2016

A Foundation is a legal entity governed by its Charter and Rules. A Foundation must have a licensed Samoan Trust Company as its Resident Agent. A Foundation must also have a Purpose, which can be for persons and purposes, charitable or otherwise.

Benefits of a Foundation include:

Management and Control – undertaken by a Council, which can appoint Officers to delegate daily administrative functions.

Asset Protection – similar to Samoan Trusts: 2 year rule.

Protection against foreign rules of succession.


Special types of Foundation: There are provisions for special types of Foundation: There is a Charitable Foundation, which has similar benefits to a Charitable Trust of the breadth in the definition of charitable. The combination of a Foundation with a Limited Partnership: This, like its counterpart with Trusts, enables a Samoan Foundation to hold the interest of a limited partner in a limited partnership and permits the General Partner to manage and control the assets and investments of the limited partnership without the intervention of the Council or Officers of the Foundation and without any risk to them.


We are confident that the international finance solutions offered by Samoa for wealth management will meet all your estate planning and structuring needs.




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