**Global Survey Supplement – April 2014 - by Christopher Owen**

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[**Bayern Munich president**](https://expert.sovereigngroup.com/Blogs/Lists/Posts/Post.aspx?ID=326) **jailed for tax evasion**

14 March 2014, Uli Hoeness, president of Bayern Munich football club, was sentenced by a Munich regional court to three and a half years in prison for tax evasion relating to a secret Swiss bank account.

Hoeness was initially charged by prosecutors with evading €3.5 million in taxes from trading profits but during the trial prosecutors put the amount at €27.2 million, which Hoeness' lawyers did not contest.

The case rested on whether Hoeness had made a proper voluntarily disclosure in 2013, when his delivered a large pile of documents to a tax office in Bavaria after *Stern* magazine had made inquiries about Hoeness's account at Swiss bank Vontobel. Under German law, taxpayers can only benefit from an amnesty if they disclose fully and before the authorities have opened an investigation.

The judge ruled that Hoeness' voluntarily disclosure in January 2013 was incomplete and did not meet a requirement needed for amnesty. Hoeness said he would not appeal the ruling and would step down immediately as club president and as the chairman of its supervisory board.

Some 55,000 German taxpayers have made voluntary disclosures over the last four years and have paid a total of about €3.5 billion in back tax. The number of voluntary disclosures rose four-fold in 2013 from the previous year.

**Belize passes raft of anti-money laundering laws**

7 February 2014, Belize passed six pieces of legislation and three regulations designed to substantially enhance its anti-money laundering (AML) and counter-terrorist financing (CFT) regime and achieve overall compliance with FATF Standards. An historic Special Gazette brought the legislation into force.

In November 2011, the Caribbean Financial Action Task Force (CFATF) listed several jurisdictions, including Belize, with significant strategic deficiencies in their Anti-money Laundering and Combating the Financing of Terrorism (AML/CFT) regimes. The CFATF, in conjunction with Belize, developed an Action Plan with identified target dates to address the strategic deficiencies that existed in its AML/CFT national architecture.

Having failed to meet the agreed timelines, the CFATF issued a public statement in May 2013 that said Belize must implement all the outstanding issues in its Action Plan including: addressing its customer due diligence requirements; implementing its CFT framework; extending its AML/CFT framework to Designated Non-Financial Businesses or Professions (DNFBPs); addressing issues with the operational independence of its Financial Intelligence Unit (FIU); and prohibiting dealings with shell banks. In November 2013 the CFATF called upon its members to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Belize.

Legislative measures include comprehensive amendments to the Money Laundering and Terrorism (Prevention) Act (MLTPA). Specific measures include:

* Strengthening customer due diligence, record keeping, compliance and reporting obligations for financial institutions;
* Enhancing compliance with CFT obligations, particularly freezing and confiscating terrorist assets, expedited implementation of targeted financial sanctions by the UN Security Council, clarifying listing and de-listing procedures and including NPOs in the AML/CFT supervisory regime;
* Establishing the National Anti-Money Laundering Committee as a statutory body to advise the Minister of Finance and co-ordinate national AML/CFT efforts;
* Strengthening and clarifying the sanctions regime, including implementation of a comprehensive administrative penalty regime;
* Extension of the AML/CFT framework to DNFBs.

A new Mutual Legal Assistance and International Co-Operation Act was enacted to facilitate the widest range of assistance to be given and received by Belize in investigations, prosecutions and judicial proceedings in relation to criminal matters, including the freezing, seizing and confiscation of proceeds and instrumentalities of crime and terrorist property. This Act also establishes a single competent authority for the receipt and processing of requests for mutual legal assistance and empowers the Attorney General and the Ministry of Foreign Affairs to undertake international co-operation inquiries to and on behalf of foreign countries.

Other legislative measures include amendments to the Financial Intelligence Unit Act to strengthen operational independence, enhance security of tenure for the FIU Director and minimise opportunity for political interference. The Domestic Banking and Financial Institutions Act was also amended to specifically prohibit formation of and dealing with shell banks.

Amendments to the Insurance Act now require a fit and proper assessment for changes in management or shareholding of insurance companies and applications for associations of underwriters. Likewise, shareholders or owners of international financial service providers are now subject to a fit and proper test by virtue of an amendment to the International Financial Services Commission (Licensing) Regulations.

The Companies Act was amended to ensure that information on the beneficial ownership of registered companies maintained in the Companies Register. New regulations have also been made to more fully articulate the supervisory regime applicable to DNFBPs and to set out details regarding the constitution and procedures of the National Anti-Money Laundering Committee.

All the legislation was introduced to the National Assembly on 22 January and was given expedited consideration. They all took effect on 7 February 2014, when the primary legislation received assent from the Governor General, and was published in the Gazette.

**Cook Islands legislates to secure international compliance**

9 December 2013, several amendments to existing legislation to address deficiencies in relation to compliance with Global Forum standards on tax transparency and information exchange and to meet the requirements of the US Foreign Account Tax Compliance Act (FATCA) received Royal Assent and were brought into force.

In the OECD Global Forum’s Phase 1 Peer Review of the Cook Islands’ legal framework deficiencies were identified in respect of the ability to identify customers – particularly in relation to beneficiaries of International Trusts – accounts to be kept and the retention of various entity records. Amendments were therefore made to the:

* Financial Transactions Reporting Amendment Act 2013;
* Foundations Amendment Act 2013;
* International Companies Amendment Act 2013;
* International Partnership Amendment Act 2013;
* International Trusts Amendment Act 2013; and
* Limited Liability Companies Amendment Act 2013.

The Cook Islands is scheduled to have its Global Forum Phase 2 Peer Review in the first part of 2014. In drafting the suite of legislation the government consulted with both the Bankers Association and the Trust Companies Association.

**Hong Kong imposes stamp duty to calm the property market**

28 February 2014, the Stamp Duty (Amendment) Ordinance 2014, which imposes Buyer's Stamp Duty (BSD) on residential property transactions with effect from 27 October 2012, was gazetted. The new provisions were designed to deter overseas buyers making speculative investments in Hong Kong property.

BSD is payable on an agreement for sale or a conveyance on sale for the acquisition of any residential property executed on or after 27 October 2012, except where the purchaser or the transferee is a Hong Kong permanent resident (HKPR) acquiring the property on his/her own behalf (i.e. the person is both the legal and beneficial owner).

BSD is charged at 15% on the stated consideration or the market value of the property (whichever is the higher), on top of the existing ad valorem stamp duty and the special stamp duty, if applicable.

The provisions do not apply to permanent residents with a genuine need for housing. To stem a rising tide of speculation in shops and offices, buyers of non-residential properties were also required to pay stamp duties at the point of signing the purchase agreement.

**Jersey bring Security Interests Law into force**

2 January 2014, the Security Interests (Jersey) Law 2012, as amended by the Security Interests (Amendment of Law) (Jersey) Regulations 2013, was brought fully into force.

The Law enables security to be taken over intangible movable property, which includes investment securities (including shares, units and debentures), contractual rights, bank accounts, securities accounts and receivables. One of the key parts of the Law is the creation of a Security Interests Register, which allows for an open and searchable database of security interests and assignments of receivables, which will in turn stimulate lending.

The registration provisions for existing assignments of receivables were brought into force on 1 October 2013, with the remainder of the law applying from 2 January 2014.