

Experience in Captives

In addition to the above, the lead Tax Partner, George Mangion is actively involved in promoting Captives Insurance and Protected Cell Companies; he regularly attends and delivers conferences on the subject. The below is some of the conferences whereby he has participated.

- Canadian Captive Forum, Toronto, Canada held in January 2006. George was invited as a speaker and delivered a presentation about Malta as a prime captive insurance destination.
- Luxembourg Rendezvous – Captives held in May 2006. George was invited as a speaker and gave a presentation on Solvency 11 panel . PKF (Malta) also exhibited at this event.
- RIMS Calgary, Canada held in September 2006,withmore than 1,000 Canadian delegates , George was invited as a speaker and gave a presentation on Malta as an attractive jurisdiction for Captive and PCC registration..
- Canadian Captive Forum, Canada held in February 2007, where George has been invited as a speaker. The presentation delivered was on Protected Cell Companies and the flexibility a PCC as a means to provide entry into captive insurance market to smaller entities.
- Institute of Financial Services Practitioners (IFSP), Malta held a Primer on Captives to its members in April 2007. George gave a speech on the foundation of the laws on Captives in Malta, and the taxation advantages of forming a pure captive.
- New Zealand Captive Insurance Association, New Zealand held in May 2007, George, was invited as a speaker and gave a presentation on using the E.U model as a mark of quality regulation in Captive formation..
- PKF (Malta) organised a Captive Forum, Dublin in June 2007.. This was a pioneering event entirely organised amidst competition from Dublin practitioners. It consisted in a one day event at the prestigious Berkeley Court Hotel. The novelty of the event consisted in giving a comparative study on captive legislation in three competing jurisdictions such as Malta, Ireland, Guernsey and UK. Lawyers and experts from each of the three jurisdictions were discussing the latest trends in insurance and re-insurance.

- Malta Insurance Rendezvous, Malta organised by RIMS held at the Hilton in November 2007. PKF (Malta) participated in this two day event and also exhibited with a stand.
- Captive insurance Course organized by the Institute of Financial Practitioners held in April 2008, where George gave a lecture on preparing yourself for Solvency II, Directive.
- PKF (Malta) organised the 2nd Comparative a Captive Seminar, Dublin during June 2008. This is the second successful attempt in organising a one day event at the prestigious Four Season Hotel in Dublin. The event gave a comparative study on captive legislation in various jurisdictions such as Malta, Ireland and Guernsey. Unfortunately the date coincided with the date of the Lisbon Treaty " Irish " referendum when the Treaty was rejected by a small margin.
- PKF (Malta) was responsible without sponsors to organise a one day event at the prestigious Hotel Le Royal in Luxembourg. The event, "the 2nd Comparative a Captive Seminar in Luxembourg" was held in February 2009, gave a study on the captive insurance status in Europe. George Mangion delivered a presentation on Protected Cell Companies.
- The 5th Ann Canadian Captive Insurance Strategies Summit held in Toronto in May 2009, where George was invited as a speaker and delivered a presentation on how to choose a Domicile.
- European Captive Rendezvous Luxembourg held in June 2009, whereby George Mangion was invited as a speaker and delivered a presentation on Internal risk management and Solvency II equivalent models in non European Union countries. These countries included :- Vermont, Cayman, Canada – British Columbia and Bermuda.
- PKF International Tax Conference - San Francisco, USA, 4th to 7th November 2009

[Topic 1: Expatriate/ International Employment Tax \[2 hrs\]](#)

A special pre conference session will be held on Wednesday 4th from 3-5pm for PKF offices currently practising or interested in establishing a niche in Expatriate/ International Employment Tax

[Coordinator:](#) Kumar Krishnasamy

Topic 2: US Economy & Impact on World Economy – What does the future hold? [1 hr]

The global economic crisis tightened its grip on the United States which posted its worst contraction in 26 years as grim jobs and earnings data emerged from Japan and Europe. US government figures showed the world's largest economy shrank by an annual rate of 3.8 percent in the fourth quarter of 2008, sharply accelerating the 0.5 percent contraction seen in the third quarter.

Amid the deepening crisis, Britain, Germany, the European Union and China made urgent calls for cooperation and for reform of the global financial system whose malfunctions triggered the downturn.

This session will focus on the current state of play in the US and its impact on the global economy.

Guest Speaker

Topic 3: USA/Canada Structuring [2 hrs]

The audience will be updated in relation to a number of developments for inbound structuring into USA/Canada including:

Part 1 Using British Columbia International Financial Centre (BCIFC's) which offers the lowest tax rate in North America in relation to international planning and how

- an investor into Canada or the US use it with a focus on a few different jurisdictions such as UK, Germany, Australia etc
- would a US resident be able to use it for their domestic or international tax planning (i.e., what activities would not be included)

Co-presenters taking it to a practical level including the President of BCIFC Mr Bruce Flexman - he is the recently retired Canadian Managing Tax Partner for KPMG and was formerly the tax partner in charge of the Vancouver office.

Part 2 Protocol to the Canada-US treaty effective for 2009 including an interesting tie-in to Luxembourg as a result of some negative changes

Topic 4: Financial Structuring in Tough Economic Times : Panel Session [3 hrs]

The unprecedented turmoil in world financial markets is affecting all countries. In this session delegates will be presented with a tabular summary comparison of multiple countries from all regions which will cover:

- utilisation of tax losses
- tax implications of conversion of debt into equity
- impact of injection of new capital
- repatriation of profits and assets to parent company in a foreign country
- exit strategy & implications of liquidation
- incentives offered to business's

Various PKF member firms will be part of a panel to lead discussion in relation to the impact on a number of key countries

Topic 5: EU Update [1.5hrs]

This session will cover important changes to EU tax law including relevant decisions of the European Court of Justice

Topic 6: Equity Based Compensation in Closely Held Companies [2.5hrs]

Part 1 Is equity-based compensation plan is a good way to motivate key employees in a closely held company? [\[Guest speaker\]](#)

This session will look at ways in which a closely held company can “reward” key employees including equity based compensation plans and anecdotal evidence of success or otherwise.

Part 2 Practical issues for Private Companies & equity-based compensation plans

This session will cover the practical issues in relation to offering shares or option to key employees including:

- issuing equity or “phantom” plans
- changes to legal documents
- requirement to pay dividends
- what happens when employee holding equity leaves the company

Topic 7: Treaty Shopping - Is Treaty Shopping Still Permissible? [2.5hrs]

This session will examine a cross section of countries and their views on treaty shopping to lower taxes with cross border transactions. In particular we will review

Part 1 Anti-treaty shopping restrictions in the new U.S.-Netherlands tax treaty

The recently negotiated income tax treaty between the United States and the Netherlands contain a series of detailed anti-treaty shopping rules that contain regulatory restrictions on the use of a treaty by residents of a third nation.

Part 2 Canada: Luxembourg Treaty shopping - the next chapter

In the first treaty-shopping case litigated in Canada, the Federal Court of Appeal decided that the treaty benefits otherwise available to a taxpayer under the Canada-Luxembourg treaty (treaty) should be not denied by virtue of Canada's domestic "general anti-avoidance rule" (GAAR) or an inherent treaty anti-abuse rule. The tax court rejected these arguments on the facts of the case. In the course of its decision, the court stated that the "shopping or selection of a treaty to minimize tax on its own cannot be viewed as abusive."

Part 3 Panel Session : Treaty Shopping

The session will conclude with a number of countries presenting their countries views on treaty shopping and a general discussion of the issue allowing interaction and questions from the audience

Topic 8: Protected Cell Companies in Insurance Industry in Malta

The Protected Cell Company is now the fastest-growing vehicle for the captive insurance industry. They were introduced in Guernsey in 1997, and other offshore jurisdictions have followed this path including Malta. It has proved to be an attractive vehicle for "umbrella fund" investment schemes and for structured finance.

A PCC is a corporation structured with different patrimonies, all segregated through "cells", which are independent and separate from each other and from a "core" patrimony of the entity. The segregation of patrimonies helps avoid commingling of funds and assets of the different sponsoring participants, ensuring thus that no claim against one participant-beneficiary of the captive-insurance entity would be covered by funds or assets furnished by another participating/sponsoring enterprise.

This session will cover the various benefits can be harvested from setting up a PCC in Malta.

Speaker: George Mangion, PKF Malta