

“Nimble and forward-thinking, this firm ticks all the right boxes” **Chambers UK**

## Welcome to the Dougherty Quinn Newsletter – Winter 2014

We aim to keep you up to date with the latest legal and business developments in the Isle of Man and other leading offshore jurisdictions. We also bring you the latest DQ team news.

We are delighted to announce that for the second year running, DQ has been shortlisted for the Citywealth International Financial Centre Awards **Isle of Man law firm of the year**. Now in their fourth year, the Citywealth IFC Awards were established to highlight the excellence of advisors and managers in the private wealth sector in the major international financial centres. I am delighted that DQ’s trust and private client team, superbly led by [Annemarie Hughes](#), has again been recognised for its expertise and quality of service.

To vote for DQ to win **Isle of Man law firm of the year** click [here](#) (voting closes on 7 November 2014) or to read more about the awards and DQ’s nomination click [here](#). This nomination comes hot on the heels of our trust & private client team’s elevation to the highest ranking in the latest Legal 500 directory of leading lawyers.

To keep fully up to date with all the latest legal developments and news, follow DQ on [Twitter](#).

In this issue, you can read about:

- FATCA and undercover agents
- World Bank to visit Isle of Man in November 2014
- FATF clarifies risk based approach for banks
- Unprecedented Global Commitment to Common Reporting Standard in one day
- Equality Bill 2015 – consultation and implementation
- Insolvency Update – Court guidance on Provisional Liquidator’s fees
- Crypto Island: Isle of Man bitcoin capital – why businesses choose the Isle of Man
- Gibraltar loses e-gaming appeal against UK but starts another challenge
- DQ’s Mark Dougherty co-chairs FATCA Panel in Hong Kong
- DQ feeds gorillas in Jersey
- DQ top ranked in latest Legal 500
- DQ’s new trainee advocates
- DQ’s Rose Dugdale attends ‘Inspiring the Future’ initiative
- DQ beats George Osborne in Isle of Man court

I hope you find DQ’s newsletter informative and useful. We welcome any feedback or questions you may have. Please feel free to forward it to others who may enjoy it.

**Tom Maher**

Managing Director

*Dougherty Quinn*

## DQ Team News



### DQ top ranked in latest Legal 500

In October 2014, Legal 500 published its latest annual guide to the world's leading lawyers. Legal 500 is one of the world's leading independent authorities providing reliable and objective research on lawyers. Their guides are used by commercial and private clients, in house counsel, CEOs and professional advisers around the world.

DQ has again improved its rankings in the latest Legal 500. We are delighted to see the elevation of our specialist trust & private client team to the highest "First Tier". This top ranking is due recognition for the world class expertise of the team and the huge growth it has experienced under the leadership of [Annemarie Hughes](#) who is widely regarded as one of the top trust lawyers on the Island. Annemarie is also recognised as a leading trust lawyer by Chambers Global and in the Citywealth Leaders List. [Read more.](#)



### DQ's new Trainee Advocates

DQ is delighted to announce the arrival of two new trainee advocates. Kirsten Middleton and Jessica McManus were chosen following a rigorous selection process earlier this year.

For the first time, DQ held an assessment day for the shortlisted candidates, with only those making the grade at the assessment day being asked to attend an interview. Kirsten and Jessica were easy choices on the day as making the shortlist to attend interview and impressed in the more formal interview environment.

Kirsten grew up on the Island and was educated at St Ninian's High School. She completed her MLAW at Northumbria University in June, obtaining an upper second class degree. Jessica is also from the Isle of Man and was educated at Ballakermeen High School before continuing her studies at Lancaster University where she obtained a first class LLB Honours degree. Jessica then gained a distinction in the Legal Practice Course at the University of Law, Manchester. [Read more.](#)



### DQ's Rose Dugdale attends 'Inspiring the Future' initiative

[Rose Dugdale](#), associate advocate in DQ's dispute resolution team, was recently invited to attend the Inspiring the Future initiative at Ballakermeen High School alongside selected other individuals from a variety of professions on the Isle of Man.

Rose spoke to a class of year 10 pupils about her chosen career path as an Isle of Man advocate at DQ and the choices she has made along the way. As well as talking about her day-to-day life at DQ, she discussed the importance of obtaining a work placement, as this gives an opportunity to gain hands-on experience of the working world and can be

invaluable in entering into a chosen career. [Read more.](#)

## TAGLaw Events



### DQ's Mark Dougherty presents on FATCA in Hong Kong

DQ's Mark Dougherty recently co-chaired a FATCA session at TAGLaw's 31st international conference in Hong Kong. The conference, which took place from 20 – 22 October 2014, provided TAGLaw® members with the opportunity to strengthen the relationships they create within the alliance of more than 150 law firms from around the world.

Mark's presentation to delegates focused on the implementation of FATCA and global transparency in offshore jurisdictions and he co-chaired the session with Saul Brenner from New York accountants and advisors Berdon LLP.

Mark said: "DQ's attendance at the conference was a fantastic opportunity to present to so many delegates from leading global legal and accounting firms and to promote the Isle of Man to such important decision makers. My visit to Asia also enabled me to strengthen DQ's links with our existing clients in Hong Kong, an increasing number of whom are using the Isle of Man now." [Read more.](#)



### DQ feeds gorillas in Jersey

In early September 2014, DQ senior associates Leanne McKeown and Simon Heggs travelled to Jersey to attend the TAGLaw NextGen meeting of young lawyers hosted by Voisin – and to feed some gorillas!

TAGLaw® is a worldwide alliance of independent law firms with more than 150 member firms based in nearly 100 countries. The "Next Generation" event has been recently developed to give lawyers at associate level a chance to make connections with their colleagues throughout the world. The event in Jersey was well represented by lawyers from a number of leading law firms from the UK, Ireland, IOM and Jersey, all of whom are part of the TAGLaw alliance. [Read more.](#)

## Isle of Man News

### Unprecedented Global Commitment to Common Reporting Standard in One Day

On 29 October 2014, 51 countries formally signalled their commitment to the Common Reporting Standard ("CRS") by signing a multilateral competent authority agreement to automatically exchange information based on Article 6 of the OECD's Convention on Mutual Administrative Assistance in Tax Matters.

The significance of this event was demonstrated by the participation of 39 ministers (including those from the Isle of Man, Cayman Islands, Jersey, BVI, Gibraltar and Malta) in the signing ceremony, the largest gathering of

ministers to take joint action to address tax evasion. [Read more.](#)

## Isle of Man bitcoin capital of the world

The Isle of Man certainly felt like the centre of the bitcoin universe during the first Crypto Valley Summit held on 17 and 18 September 2014. Entrepreneurs and digital currency specialists from all over the world descended on the sunny Isle of Man to learn more about the Island's initiatives to welcome crypto-currency businesses and become a world leader in this industry. The Island has already attracted many leading companies in this industry to set up substantive operations here. [Read more.](#)

Since the highly successful Crypto Valley summit in September 2014, the Isle of Man's profile in the crypto currency sector has continued to grow and a number of businesses are progressing with their plans to establish on the Island. One such business, Garigus Limited, has recently incorporated on the Island and the shareholders paid for their shares in bitcoin. This was a key milestone in the development of the crypto currency industry on the Island and one of the founders commented on the speed at which progress was made saying:-

"The Isle of Man 'Where You Can' tag line is not just rhetoric – there is a real ability for those in the private sector and public sector to work together to provide world class solutions to meet customer requirements". [Read more](#)

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## Regulatory & Compliance Update

### Beware FATCA and undercover agents

DQ is continuing to see an increased use of undercover agents by the IRS and other tax authorities in offshore jurisdictions.

The indictment in September 2014 of a Belize corporate service provider (CSP) and investment management company in the US is evidence of this trend. In the case US v. Robert Bandfield, et al the offshore CSP and investment company were accused of conspiring with numerous US citizens to violate securities and tax laws, including evading reporting obligations under FATCA. According to US prosecutors, the defendants engaged in a US\$500 million offshore securities fraud, tax avoidance and money laundering scheme. [Read more.](#)

### World Bank to visit Isle of Man in November 2014

Representatives from the World Bank will be on the Island for three days in November 2014 to host workshops for those participating in the National Risk Assessment project. The Island is using the World Bank methodology to complete the risk assessment and the workshops in November will see representatives from various government agencies and industry sectors coming together to work with the World Bank on the application of the methodology. DQ's head of regulatory & compliance services, Sinead O'Connor, is a member of one of the working groups which have been established to examine the threats and vulnerabilities of various industry sectors to money laundering and terrorist financing. [Read more.](#)

### FATF clarifies risk based approach for banks

The Financial Action Task Force (FATF), the international standard setting body for anti-money laundering and counter-financing of terrorism, has taken a welcome step forward into the risk based approach being adopted by banks to prevent money laundering and terrorist financing. At its latest Plenary in October 2014, FATF discussed the issue of de-risking, which it sees as financial institutions terminating or restricting business relationships with clients or categories of client to avoid, rather than manage, risk in line with FATF's risk-based approach. [Read more.](#)

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## Dispute Resolution & Insolvency Update

### DQ beats George Osborne in Isle of Man Court

After a long-running litigation in the Isle of Man, DQ's client, Paracale Gold Limited ("PGL") succeeded in its claim against George Michael Osborne ("Mr Osborne"). For the avoidance of any doubt, Mr Osborne is not the United Kingdom's Chancellor of the Exchequer! In this breach of contract case, DQ succeeded in obtaining an order for restitutionary damages for PGL.

PGL is the Isle of Man incorporated holding company of two Philippines subsidiary companies (the "Subsidiaries") which operate a gold mine in the Philippines. Mr Osborne acted in various capacities, including director and chief financial officer, for the Subsidiaries and the previous holding company. [Read more.](#)

## One long struggle upward to Equality

American activist, Elizabeth Cady Stanton, once said that "the history of the past is but one long struggle upward to equality" and with the consultation of the Equality Bill in the Isle of Man now well underway, the Island moves one step closer to enacting one of the most important pieces of social legislation in recent times.

The draft Equality Bill 2015 is largely based on the England and Wales Equality Act 2010. Whereas this legislation saw the consolidation of pre-existing equality legislation, the Equality Bill will lead to a complete overhaul of existing equality practices (or lack thereof) on the Island, both in the provision of goods and services and employment. The Bill will repeal 12 current pieces of legislation, to include the Employment (Sex Discrimination) Act 2000, which is arguably the most developed of the Island's equality legislation. In place of the practices of old, the Bill introduces various 'protected characteristics' upon which discrimination and harassment is unlawful, to include age, disability, gender reassignment, marriage and civil partnership, pregnancy/maternity, race, religion or belief, sex, and sexual orientation. [Read more.](#)

## Insolvency Update: Court Guidance on Provisional Liquidators' Fees

In October 2014, the Isle of Man High Court issued useful guidance on the procedure and principles applicable to payment of provisional liquidators' fees in a protracted winding up case. In [Exclusiva General Inc v Vintage Holdings](#), the Court was asked to decide on the procedure for the payment of provisional liquidators' fees where there is an anticipated lengthy duration of their appointment due to matters awaiting trial relating to a potential winding up order. [Read more.](#)

## Gibraltar loses e-gaming appeal against UK

On 10 October 2014, the English High Court handed down its decision in relation to the challenge by the Gibraltar Betting and Gaming Association ("GBGA") to the new point of consumption basis for regulating gambling in Great Britain. The GBGA's challenge was rejected by the High Court and the new regulatory regime set out in the Gambling (Licensing and Advertising) Act 2014 will therefore come into force later this year. Since this judgment was handed down, the GBGA has issued a new challenge to the point of consumption basis for taxing remote gambling, due to be introduced in the UK on 1 December 2015. The GBGA has again asked for an expedited hearing of this challenge. [Read more.](#)

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## DQ Library & News

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**“The speed and quality of service here cannot be  
bettered on the island”**

**Chambers Global**