

Turks & Caicos Islands

Offshore and More

“A haven for high-end tourism,” is how Premier Michael Misick of the Turks and Caicos Islands describes this Caribbean paradise. The two island groups southeast of the Bahamas have so much potential that the archipelago can be compared to the great year-round climate it enjoys; The exclusive resorts, friendly people, financial services, extraordinary natural beauty and booming business environment never have a rainy season. Can the British Overseas Territory continue its longest period of economic expansion in history?

Premier Michael Misick:

Building a more progressive and productive Turks & Caicos

The Turks and Caicos Islands in the northern Caribbean have a special status, not only geographically as a British Overseas Territory, but also in its achievements. In the past five years, Premier Michael Misick’s administration, now in its second term, has managed to spruce up both the macroeconomic indicators as well as the islands’ image abroad. According to Delton Jones, Chief Economist of the Department for Economic Planning and Statistics at FSI (Financial Services Initiative), the “real gross domestic product growth has been over 10 percent per year, and average annual Government recurrent revenue has been in excess of 15 percent.”

“We want to create the Monte Carlo of the Caribbean.”

Premier Michael Misick

The main factors in its success are the careful placement of Turks and Caicos as a high-end, luxury tourism and second home destination, as well as the effective measures taken to make it a safe offshore financial services center. Now Premier Misick is focusing on three main points: Leveraging its top-brand tourism status through special events, advancing education with a boost in scholarships and possible satellite campuses of international universities being established, and embellishing the health sector with two new state of the art hospitals. These essential ingredients will enable local youth to further their studies and prospects, support second home residents, and boost the rapidly growing economy.

“If you are buying a villa for \$10 million you want to be sure the hospital is up to par with the international standards one is used to,” explains Premier Misick. “If you invest here you may also want your children to have the option of a solid local educa-



Premier Michael Misick

tional system. We are only one hour from Miami and therefore we are implementing programs where university students could come here to follow educational programs.” In addition, there are also plans for an education park to rise in Turks & Caicos. Until that time, Misick’s government is investing in the future by ensuring that students have access to the funds necessary to study abroad. “When we came to office there were \$3 million available in scholarships. Today, it is \$20 million a year. To educate your people and to have them come back full of hope and excited about the future is probably one of our greatest accomplishments.”

These projects provide a fundamental basis of development for the all-important tourism sector. Several infrastructure projects such as the extension of the main international airport runway, thereby accommodating non-stop flights from Europe, and a brand new cruise terminal on the island of Grand Turk, built in conjunction with Carnival Cruises, all add to the diverse profile of the archipelago’s 40 islands. “We are primarily a luxury destination, but having so many islands we are able to benefit from the cruise ship terminal without it affecting the other islands,” says Misick, who has created up-market events such as the T&C Music and Film Festivals and is planning sports events such as pro-boxing and a T&C Grand Prix as part of the Indy racing league. “We want to create the Monte Carlo of the Caribbean. These events show that a small country can have a global reach. That’s Turks and Caicos; small with big vision.” ■

Rock Steady Financial Security

So let's assume you're a well to do rock star and would like to supplement your portfolio of Wiltshire, Tuscan, Manhattan, and Malibu mansions with an abode in the Turks & Caicos Islands. After location, your primary concern would be the financial environment. Fortunately, the government has made it a priority to regulate the financial sector, as Deputy Minister Hon. Floyd B. Hall explains. "The fact that we use the U.S. Currency with no exchange controls makes this a very attractive market." The fact that we are linked to the secure system of British common law makes our investors comfortable. We intend to be a major player in this environment and have a well-regulated sector run by the Financial Services Initiative (FSI)."

The FSI actively promotes, regulates, and facilitates the financial sector from the booming real estate development to investment services. This was in high demand as in less than two generations the Turks and Caicos Islands have gone from subsistence farming, including the world's only commercial conch farm, to commercial development facilitated by credit and debit instruments. "In 2000, Premier Misick personally invited Dr Gilbert Morris, a Bahamian scholar and visiting professor at the George Mason University, to head the FSI following what Morris calls a bout of "regulatory diplomacy" in the United States. Dr Morris says that Turks and Caicos is at an advantage in more ways than one compared to other tax havens like the Cayman islands, which are purely based on financial business and tax rationalization.

"We are attracting people for land development and second homes. About 3,200 people have bought condos," says Dr Morris, "but what we need to do is put in a structure for their yachts, private jets, etc. Therefore we are developing legislation which will act as the basis for the new financial center." This includes an overhaul of the Mutual Funds Ordinance, amendments to the enduringly popular Insurance Ordinance, and the introduction of a charitable foundations law. Corporate and wealth management play a large role in this endeavor, a field of expertise for local law firms such as Misick and Stanbrook. Accounting for seven percent of GDP, the sector is set to grow with leading products such as hybrid insurance, credit life, and e-trading. "Since we are small and fast, we can be securely regulated," assures Dr Morris, "and attend to all the details involved with the back end of all transactions." ■

Turks and Caicos Islands

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For more information contact:

DR. GILBERT N.M.O. MORRIS - Lead Advisor
gmorris@caicosbrothers.com

CLAUDIA CAMOZZI - Director of Communications
ccamozzi@tcifinancialservices.com



FSI
Financial Services Initiative

www.tcifinancialservices.com +1 (649) 331.9000

A Future in Good Hands

Among the priorities set by the government of Turks and Caicos are health, with two brand new hospitals in the works, and education. In order to grow beyond the existing education system, ranging from early childhood to community college, students need to travel abroad for higher degrees. This is why the Ministry of Education, Youth, Sports, and Culture, headed by the Honorable Dr Carlton Manley Mills, is seeking to forge new collaborations with international universities.

“It is our policy to empower our people through education,” says Minister Mills. “That is why we are partnering with institutions such as Nova Southeastern University (Nova) and the University of Leeds.” A proposed bachelor degree program with Nova would be administered at the local community college. It is also important to have more people benefit from locally provided training in order to cut back on approximately \$18 million of scholarships. “We have brought these scholarships more in line with the development goals and needs of the country. Among them are electrical engineering, hospitality, architecture, education, environmental sciences, and medical sciences.”

In the medical field the stakes are even higher. With many second home owners being wealthy retirees, the focus on offering world-class health services is paramount. It is no surprise therefore that the nation’s budget allocation to the health sector is the largest with 22 percent of the recurrent expenditure going towards the Ministry of Health. “In addition to modernizing and upgrading the existing clinics on all the inhabited islands,” explains Minister of Health Dr Lillian Boyce, “we formulated plans to construct two modern hospitals, one to replace the outdated one in Grand Turk and another in Providenciales, the most populated and tourism-active island.”

The \$60 million hospitals will bring the sector in line with international standards by offering a full range of medical services under the management of Inter-Health Canada, including the hi-tech Telemedicine remote operation system. Boyce hopes it will eliminate the need to send patients overseas for treatment, but also sees an opportunity for people from abroad to combine health care and recuperation in a Caribbean paradise. This view is equally shared by Education Minister Mills, who sees a proposed college park spark opportunities in education tourism. “It also gives me confidence that we are preparing persons to assume leadership roles. As a result the future of our country is in good hands.”

TCInvest: Open Arms

Turks and Caicos, with its 40 pristine islands, only eight of which are inhabited, and a total land area of 238 square miles isn’t looking to attract masses of tourists, it is aiming for a quality clientele. So too with investors; the major objective of the government is to attract quality investments that create a sustainable economy period.

“We provide a seasoned one-stop shop to ease the way for potential investors, irrespective of size.”

Conrad Higgs, CEO of TCInvest

Doing so successfully since 1995 TCInvest is the preferred agency for all interested businesses. Whether it’s a resort complex, brewery, an aircraft parts manufacturer, or the development of a local crafts coopera-

tion, TCInvest’s expertise is integral to the country’s investment opportunities.

“TCInvest provides that vital bridge between investors and the government in facilitating the presentation of new development opportunities,” says Conrad Higgs, the agency’s CEO. “We provide a seasoned one-stop shop to ease the way for potential investors, irrespective of size.” Mr Higgs was the chief negotiator with Carnival for the establishment of a \$40-million cruise terminal on Grand Turk. The terminal project has been so positively received that Carnival has already announced its intention to expand. Since its inaugural season in February 2006, the 14-acre beachfront access Grand Turk Cruise Center exceeded all expectations, receiving 136 cruise ship calls with 295,000 visitors.

The benefits of doing business in Turks and Caicos are manifold. The Open Arms investment policy

begins with the obvious advantages of the country's no tax status, an efficient administrative system, and an attractive package of concessions to qualified investors. The policy provides a clear set of commitments by the government on their investment approach including a streamlined business licensing system, a responsive immigration policy, access to government-owned land under long-term leases at reasonable rates, and a variety of duty concessions to reduce start-up costs.

But TCInvest is also close to local entrepreneurs. "To ensure that Turks and Caicos' resident population is given maximum opportunity to participate in development," CEO Higgs points out, "TCInvest also provides financial capital and expertise to islanders wishing to establish or expand a business with its own Small Enterprise Development Center and Banking facility." In addition the agency provides advice, training mortgages, and scholarship loans to local entrepreneurs. By enabling the population to access such significant resources, TCInvest has cultivated an increasingly harmonious business environment where partnerships between local and interna-

tional concerns can flourish and build on each other's expertise and professional skills.

In conjunction with its online information resources distributed via the TCInvest website, the agency has made its mark on the booming development of the Turks and Caicos Islands. Creating a single window for prospective investors is the Turks and Caicos way of welcoming business to its relaxed and reassuring shores; Open arms and a welcoming horizon of opportunities. ■



TCINVEST
INVESTMENT AGENCY

TURKS & CAICOS ISLANDS

THERE IS
ONE
DESTINATION
THAT STANDS ABOVE
THE CROWD.

Only 75 minutes from Miami, the Turks and Caicos Islands is a leading Caribbean travel, investment and financial services destination. Imagine no exchange controls, no personal or corporate tax, a US Dollar currency, direct airlift from major North American and European markets as well as modern offshore legislation and sophisticated products. With international offices in New York and London, the Turks and Caicos Islands Investment Agency has a team of qualified professionals offering a one stop shop to investors and persons looking to do business in the TCI.

Investor-friendly government policies and assistance offered by TCInvest make the Turks and Caicos Islands the premiere location for new investment opportunities.

To find out more, contact us at one of our TCI branches or visit us online today at:

www.tcinvest.tc

Grand Turk 649.946.2058 or tcinvest@tciway.tc
Providenciales 649.941.8465 or tcinvestpls@tciway.tc

The Natural Appeal of Tourism

Leafing through glossy Turks & Caicos lifestyle magazines, you'd be forgiven the notion that the islands are all about property development. Images of 5-star resorts, spacious condominiums, second-home villas on palm-lined beaches grace the pages, enticing visitors and investors alike. But in keeping with its pristine nature policy, every single island project is selectively built with full respect for the environment, preserving the uniqueness and exclusivity that have earned the islands accolades as a high-end destination. Grace Bay on Providenciales, for example, has been named "Best Caribbean Beach" by Condé Nast Traveler magazine and is the island with the most tourism activity.

The truth is that the Turks and Caicos Islands shine with diversity. Lindsay Musgrove, Director of the Turks and Caicos Tourist Board, explains that each island represents a different product, all the while catering to the high-end market. This enables the Board to promote Turks and Caicos' rich variety, from exclusive resorts such as Parrot Cay, home to fashionistas and Hollywood's finest, to an "all green" eco-tourism island.

"Grand Turk has a long history and most homes that were owned by the salt planters are now hotels or museums." The salt industry Musgrove refers to was historically a mainstay of the islands, a lot of which was shipped to the United States and Canada. Musgrove adds that Salt Cay may now even be eligible for World Heritage site status. "South Caicos is the fishing capital of Turks and Caicos. Middle Caicos and East Caicos are eco-tourism islands, the latter of which is "all green" where everything is set aside for animals. If anything is built it has to be eco-friendly. Parrot Cay and Pine Cay are very exclusive resort islands and one undertakes very selective processes to get something there. And Providenciales is the tourism destination with a lively nightlife, a casino, along with many resorts."

The private sector has been more than fortunate with the boom registered in the last ten to five years. Key resorts such as Grace Bay Club and The Palms are home grown success stories. Most recently international elevated brands in the hospitality market have started developing projects on the islands, among them the Amanyara, the Ritz Carlton, and the Mandarin Oriental. Their potential is anchored on the key understanding that local integration is essential: proper training programs for local employees and the constant effort



of pushing services to the highest standards. As a result real estate value and demand has drastically increased while new condominiums continue to sell out quickly. The islands are particularly popular with people from the East Coast of the United States, from where abundant direct flights to Turks and Caicos are operated. For example, American Airlines has twice-daily connections with New York.

Nevertheless, growth has been gradual and controlled. According to the Tourist Board, the islands received 240,000 arrivals in 2006, not including the cruise visitors of Grand Turk. Musgrove says that the focus is on making sure development does not take away the reason why it came to Turks & Caicos in the first place. "We are 'beautiful by nature' and we honor those words."

In the meantime, the increased attention to the islands is an excellent opportunity for Premier Misick to showcase not only the islands' beauty, but also its cultural presence. The International Film Festival and Music Festival, as well as Tourism Awareness Week lay out the red carpet for all who want to experience both local and international talent. "These events bring some sophistication and sexiness back to the Turks and Caicos Islands," smiles Misick. It would seem his honored guests and residents agree; Turks and Caicos is the place to be, naturally. ■

Strategic Media

Directors: Maja Lapcevic, Elodie Piat, Stephen de Vasconcellos-Sharpe

Project Director: Laurent Peters

Editorial Assistant: Maria Nadolu

Chief Editor: Mark Riley

Creative Director: Branko Bobic

For more information contact: info@smlstrategicmedia.com

"If enterprise and investment are on your horizon,
look to the Turks and Caicos Islands."

*LisaRaye McCoy-Misick
First Lady of the Turks & Caicos Islands
on the island of Providenciales*

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