

## **DeLisle Worrell: Challenges and opportunities for Barbados' IBFS sector**

Remarks by Dr DeLisle Worrell, Governor of the Central Bank of Barbados, at the 5th Annual International Business and Financial Services Sector Conference, Bridgetown, 10 April 2015.

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This annual conference is an opportunity to reflect on the challenges and opportunities for Barbados' IBFS sector, and to assess how we may improve on our performance and mastery of our circumstances. For all of our history Barbadians have made our living as tiny players on a global market. By and large, over time, we have made a success of it, and as a result we now enjoy an enviable quality and style of life. The challenges we face in the IBFS sector are of the same nature as the challenges our economy has always faced in international competition with players much larger than ourselves. The lessons of our past are that you must know your strengths and operate well within them, you must make a game plan based on those strengths, you must arm yourself fully with research and information, you should implement your strategy in a flexible, responsive way, and you should prepare and commit yourself for the long haul. These are the lessons we must apply in facing the new challenges in the IBFS sector. We face new challenges, often referred to by acronyms such as BEPS, FATCA, FAPI rules, etc. They are well known and I do not need to repeat them here, but they are serious and they affect our Canadian business, which is the bulk of our sector.

In responding to the current challenges we are playing to our strengths. Our value proposition is that international companies can establish subsidiaries in Barbados to perform international transactional services that they would otherwise do in a major metropolis such as Toronto or New York. They are able to reduce costs and be more competitive because wages for skilled professionals in Barbados are so much lower. They are able to offer the same quality of service because Barbados boasts international levels of social and economic infrastructure, and excellent communications with North America, Europe and beyond. We have regulatory and legal oversight systems that are constantly being upgraded in light of guidance from the Basel Committee, the IMF, the FSB, the FATF, the Global Forum and other international bodies. We have a large and expanding network of range DTA's and BIT's. We are constantly expanding our range of products. And we are not a tax haven; companies operating in Barbados, including IBC's, are liable to pay corporation tax.

We are seeking new opportunities to strengthen IBFS activities, with the exploration of new markets in Latin America, Africa, the Middle East and elsewhere. We are also introducing new products and services geared to the needs of the various markets from which we draw our clients.

This conference offers an opportunity to share ideas and information on how we may perfect our strategy and message. We will begin by looking into the future a bit, with a panel and discussion on the prospects of business with Cuba, a country with which Barbados has a long history of diplomatic and other relationships. We will also be discussing issues of the regulatory framework, and initiatives to strengthen institutional support and facilitation of the industry. Our final presenter today will suggest ways forward for the wealth management industry.

We live in an interconnected world in which the execution and financing of international commerce is open to competition to all nations, large and small. We can be assured of Barbados' future as a player in this global market, so long as we strive always to offer a superior value proposition. I look forward to today's discussions towards that objective.