

2025

BARBADOS

INTERNATIONAL FINANCE & BUSINESS




IN THIS ISSUE

The AI Wave:
Embracing Change at
the Speed of Thought

**To Trust or
Not to Trust?**

AI and Ethics:
Navigating the New Frontier
for Business Leaders

A person in a dark room, wearing a mask and safety glasses, is looking through a telescope. In the background, a rocket is launching, creating a bright trail of light and a large plume of smoke and fire at the base. The scene is set against a dark, starry background, suggesting a space theme.

Scaling your business means
stepping into uncharted territory.

Export Barbados (BIDC) provides
the space, resources, and support
to help you thrive in new frontiers.

Whether you're crafting the next big
idea or expanding your product line,
find your place in an ecosystem
designed for growth.

After all,

Life Needs Space.

Sponsors

Barbados International Finance & Business magazine is a publication of Invest Barbados. Invest Barbados is grateful to the business community and the service providers for their support.

We also thank the following sponsors:

African Export-Import Bank
Barbados International Business Association
Barbados Tourism Marketing Inc.
Calvin Alkins Customs Services Inc.
Central Bank of Barbados
Chancery Chambers
DGM Financial Group
Deloitte
Dentons
Export Barbados (Barbados Investment and Development Corporation)
PwC
Realtors Limited
Sagicor Bank
Sagicor Life Inc.
Sagicor Cave Hill School of Business & Management, UWI



CONTRIBUTORS

Technical Review:

Maria Robinson

Editorial Review:

Alicia Campbell
Nicola Clarke
Jean-Paul Cumberbatch
James Gardiner

Advertising:

Angela Daniel-Rampersaud

Authors:

Kaye-Anne Greenidge
CEO

Invest Barbados

Liza Harriidyal Sodha

Principal
Harriidyal Sodha & Associates

Grant McDonald

Country Managing Partner
and CARICOM Head of Tax
KPMG

Danica Corbin

Manager, Governance Risk & Compliance
Services and ESG Driver
KPMG

Ed Majewski

Vice President – Investments
Summit Asset Management

Claire Barker

Relationship Manager
Summit Asset Management

Darren Treasure

Executive Director – Caribbean
London & Capital

Pieta Brown

Gen AI Leader, Caribbean & Bermuda
Region, Risk Advisory
Deloitte

Javier Lemoine

Director – Tax
PwC

Amanda Lashley

Vice President, Trust & Legal
Cidel Bank & Trust

Dominique Pepin

Managing Director
Tailored Tax Solutions

Jamar Arthur-Selman

General Manager
Centralis (Barbados) Ltd.

Nicquon Nicholls

Research Officer
Financial Services Commission

Tramal Whitehall

Independent Contractor - Research
Financial Services Commission

Marlon Yarde

Managing Director
Barbados Stock Exchange Inc.

Roland Jones

Managing Director and CEO
The Axebridge Group

Christopher Sambrano

Managing Partner
Ernst & Young Ltd

Tracy Marshall

Country Managing Partner – Barbados,
Eastern Caribbean | Assurance
Ernst & Young Ltd

Maria Daniel

Partner
Ernst & Young Ltd

Pascal Saint-Amans

Partner
Brunswick Group

Rosalind Bynoe

Partner & Head of Corporate – Barbados
and the Eastern Caribbean
Dentons

Haydn Persaud

Senior Associate
Dentons

Paul Jenkins

International Investment Advisor,
Private Wealth Management
& International Corporate Banking
CIBC Caribbean

Taahir Bulbulia

Consultant – Special Projects
Invest Barbados

Terry Scantlebury

Group ICT & Business
Solutions Manager
Goddard Enterprises Limited

Sir Trevor Carmichael, K.C.

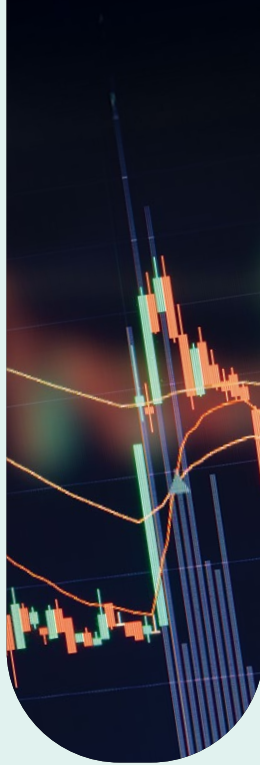
Chairman
Chancery Chambers

Case Studies:

Jalin
KM² Solutions
Parachute Film Studios
Sagicor Bank
Trident Trust
VM Wealth Management Limited

Design & Layout:

Blueprint Creative Inc.



CONTENTS

- 05** Foreword
- 06** Expanding Horizons: Investment Opportunities in Barbados
- 08** Reinforcing the Importance of Corporate Governance and Compliance in Barbados
- 10** Investing in Climate Resilience
- 12** Beaches, Banks and Bond Markets
- 14** Falling Interest Rates: Cash vs. Fixed Income Investment Dynamics
- 15** CASE STUDY: Sagicor Bank
- 16** Barbados at the AI Crossroads: Opportunities and Challenges in the AI Era
- 17** CASE STUDY: Trident Trust
- 18** Barbados: A Gateway for Caribbean and Latin American Investors
- 19** CASE STUDY: Jalin
- 20** Exploring Barbados Trusts: A Pathway to Wealth Management
- 22** Barbados is Well Suited for Developing and Exploiting Intellectual Property
- 24** Barbados: A Global Hub for Debt Financing and Debt Administration
- 26** Enhancing Regulation through Information Technology Transformation
- 27** CASE STUDY: VM Wealth Management Limited
- 28** To Trust or Not to Trust?
- 30** AI and Ethics: Navigating the New Frontier for Business Leaders
- 32** Barbados Welcomes a Perfect 'Green' Storm
- 33** Barbados' Business Offer in a Post Global Minimum Tax Environment
- 34** Ship Mortgage Financing under the Laws of Barbados
- 36** The Good, the Bad and the Ugly: Global Debt Interest Rates and Inflation
- 37** CASE STUDY: KM² Solutions
- 38** Attracting Investment: Cricket Beyond the Boundaries
- 40** The AI Wave: Embracing Change at the Speed of Thought
- 41** CASE STUDY: Parachute Film Studios
- 42** Towards a Barbados Film Industry

Foreword



Written by
JAMES GARDINER

Welcome to Barbados International Finance & Business 2025, now in our 17th year of publication.

Looking back to the 1980's, when Barbados entered the International Finance Centre (IFC) domain, the focus was on highlighting Barbados to Canadian and US parented companies while promoting the domicile to the "gate keepers" who researched and advised clients on the merits of international domiciles. Today, it is a much more competitive world with the focus for international domiciles changing towards consideration of the impact of the Global Minimum Tax, investment protection, as well as compliant tax regimes and regulatory frameworks. Barbados stands out as an IFC and continues to be promoted as a domicile of choice for international investors who desire to make their business more globally competitive.

In addition to the Americas, Barbados has expanded its outreach to include select countries in Africa and Asia, by developing diplomatic, investment and economic ties.

For Barbados, the focus is to provide a business-friendly environment, with comprehensive legislation, talented and well-educated local staff and service providers, international banks and auditing firms and experienced law firms with global connections. Complementing these factors are the Welcome Stamp visa initiative and the opportunities for High Net Worth Individuals to use Barbados as a safe and secure destination for estate planning and wealth management.

Against this background, we invite you to consider Barbados as your location of choice and to contact Invest Barbados for any assistance you require.





Explore the Future of Risk & Insurance Management

Join BIBA, the Association for Global Business in Barbados for the 5th annual Barbados Risk & Insurance Management Conference (BRIM 2025), taking place on March 27 & 28, 2025, at the luxurious all-inclusive Wyndham Grand Barbados on the island's wildly beautiful Atlantic coast, minutes away from our international airport.

Who Should Attend: Risk, insurance, finance, investment, and legal professionals; P&C under professionals aligned with the insurance sector, especially the captive industry.

Tickets

REGULAR RATE
MEMBER RATE – BB\$950/US\$475
NON-MEMBER RATE – BB\$1150/US\$575
GROUP RATE (3 OR MORE)
MEMBER RATE – BB\$850/US\$425
NON-MEMBER RATE – BB\$1000/US\$500

FOR MORE INFORMATION CONTACT:

✉ biba@biba.bb ☎ +1(246) 537-2422 🌐 Visit www.brim.biba.bb



THE ASSOCIATION FOR GLOBAL BUSINESS

Expanding Horizons: Investment Opportunities in Barbados



KAYE-ANNE GREENIDGE
CEO
Invest Barbados

Welcome to another promising year – a year brimming with boundless opportunities across our business landscape. It holds the potential for business entities to reap success, marked by meaningful accomplishments, as they continue to evolve in response to the shifting dynamics and emerging technologies globally. Indeed, we are happy to produce this 17th edition, as we share insights and highlight the exciting developments unfolding locally and internationally.

The year kicked off with the Government of Barbados encouraging Barbadians and friends of Barbados to either come home or come to Barbados to participate in We Gatherin', the 52-week festival which touches all eleven parishes. The celebration of culture, heritage and community was originally conceptualised to be held in 2020 to provide opportunities for Barbadians, visitors, investors and friends of Barbados, while encouraging collaboration, celebration, participation and investment in events and projects across the island. From an investment perspective, the Barbadian diaspora especially, is encouraged to utilise this opportunity to seek out the several opportunities to establish businesses of substance on the island.

On the global stage, Invest Barbados is pleased to lead the charge on Barbados' participation in Expo 2025 Osaka in Kansai, Japan. At the Expo, under the theme *Designing Future Society for Our Lives*, eight billion people from across the world will converge in one space for six months commencing April 13, to share ideas and witness innovations that are designed to address challenges facing humankind. Barbados will be joining

158 countries, regions and nine international organisations in Osaka. We will be flying our national flag high and proud, depicting the theme, *Barbados is Life: Empowering People -Transforming the World*. The Barbados Pavilion at Expo 2025 Osaka promises to feature a diverse showcase of the available business opportunities, as well as who we are as people, our heritage, stability and culture.

Barbados' participation in the Expo will create a symbiotic relationship where the jurisdiction can learn from leaders in innovation, particularly as it relates to digital technologies and artificial intelligence (AI). In understanding how AI works, the more it can be seen that such technology is nothing to fear, but rather one to embrace as it can enhance operations, making everyday tasks in the home or in business more efficient.

The world is a mere five years away from the culmination of the United Nation's target for achieving the Sustainable Development Goals (SDGs). Barbados' commitment to empowering its people through sustainability and innovation in addition to contributing to global transformation through the advocacy for fair economic policies, are in alignment with the SDGs and will be showcased through a combination of business, cultural and other wholesome, educational and fun activities representing Barbadiana.

Incentivising Innovation and Sustainability

Barbados continues to be a leading voice in shaping international discussions on critical issues such as climate



transition financing, climate change mitigation and North-South dialogue. Such leadership enhances the country's status as a trusted partner for investors seeking to align with global sustainability and responsibility goals. As such, the Bridgetown Initiative 3.0 – first launched in 2022 – robustly led and promoted by our esteemed Prime Minister, The Hon. Mia Amor Mottley, was published late last year in sustained efforts to reform the global financing system, prioritising climate-vulnerable nations such as those in the Caribbean. In Barbados, the government offers attractive incentives to investors that include up to 50% tax credits and refundable tax credits on zero-emission and marine rehabilitation projects.

In the research and development (R&D) and pharmaceutical spheres, Barbados is committed to fostering innovation, development and collaboration with creatives across multiple industries. Plans are in train for the establishment of a 'patent box' regime to encourage innovation. This initiative allows companies to apply a lower corporate tax rate to profits earned from patented inventions and other intellectual property. An investment in R&D activities in Barbados will benefit from a refundable R&D credit of 50% of eligible expenditure. Qualifying activities include fields such as medical sciences, engineering and technology, natural sciences and financial technology. Furthermore, income arising from intellectual property located in Barbados is subject to a particularly favourable 4.5% tax rate.

Similarly, with the development of a regulatory framework, Barbados continues to advance the establishment of a local pharmaceutical sector in collaboration with Guyana and Rwanda. This initiative seeks to secure a stable supply of medicines for Barbados, CARICOM partners and other African countries, particularly in response to global health challenges, creating exciting opportunities for investors.

Competitiveness in Business and Digital Transformation

As we remain committed to ensuring that Barbados continues to be a premier jurisdiction for investment and global business, maintaining a seamless and efficient business environment stands as one of our top priorities. As such, the Government of Barbados prioritises initiatives that will enhance the sector and solidify Barbados' competitive position stage.

On the horizon is the soon to be established GovTech Barbados Ltd, a statutory corporation that will be responsible for a whole of government approach to the ongoing digital transformation of government with an aim to improve the quality and timeliness of service delivery. This is vital to enhancing the ease of doing business in Barbados and will ultimately lead to public sector modernisation and innovation. Moreover, initiatives such as 'Barbados Delivers', a programme geared towards removing barriers to economic growth and the recently launched Business Barbados, an entity designed to further enhance the local business climate, are all essential to positioning Barbados as an investment jurisdiction of choice and fostering a business-friendly environment that supports sustainable growth.

Looking Ahead

As we look ahead, we continue to monitor emerging developments across our key markets of Canada and the USA, which has been a topic of keen interest. As new policies and approaches to trade, taxation and investment take shape under fresh leadership, business and investors alike will be closely monitoring potential shifts in strategy. While it may still be too early to predict the full extent of these changes, we remain confident in Barbados' resilience and adaptability. Our unwavering commitment to preserving the island's reputation as a global financial centre ensures that we will continue to facilitate an environment conducive for investment.

Equally important, we anticipate further profitability in the global business sector, and by extension the Barbados economy, which experienced three consecutive years of growth and a robust performance of 4% increase in real GDP in 2024, surpassing the estimated global growth rate and continuing its expansion. This, in addition to the nation's diversified range of thriving sectors, a robust investment pipeline, responsive industry stakeholders and a welcoming investment climate, makes the future look bright and Invest Barbados is excited to continue this journey together with you!

Reinforcing the Importance of Corporate Governance and Compliance in Barbados



LIZA HARRIDYAL SODHA
Principal
Harridyal Sodha & Associates

In the dynamic and evolving business landscape of Barbados, the significance of robust corporate governance and compliance is paramount. Effective governance ensures that companies operate with integrity, transparency and accountability, fostering trust among stakeholders and enhancing overall business performance. This article explores the key aspects of corporate governance, emphasising its growing importance in Barbados.

Global Trends in Corporate Governance

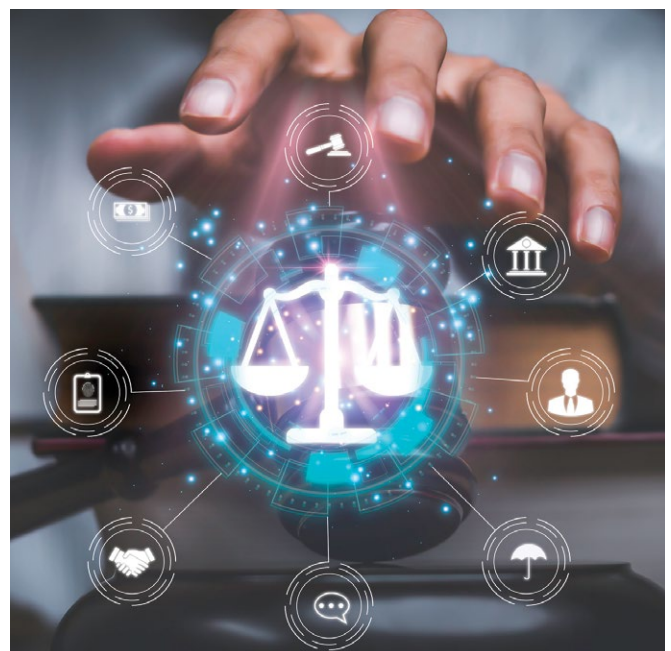
Corporate governance standards are continuously evolving worldwide, and Barbados is no exception. The adoption of international best practices and adherence to global standards, such as those set by the Organisation for Economic Co-operation and Development are driving improvements in governance practices in Barbados. Influenced by global trends, the island's regulatory frameworks emphasise transparency, accountability and ethical business conduct. As Barbados integrates deeper into the global economy, it becomes increasingly important for companies to meet these elevated standards while remaining competitive.

Corporate Governance and Risk Management

In Barbados, effective corporate governance is closely linked to risk management. Companies with strong governance are better equipped to identify, assess and mitigate risks. Internal controls and audits are crucial, ensuring that potential risks are managed proactively. By establishing clear protocols and accountability measures, Barbadian companies can navigate uncertainties with greater confidence. This approach not only protects the company's assets and reputation but also assures investors and other stakeholders that the company is resilient and prepared for any potential challenges.

Board Responsibilities and Effectiveness

The board of directors plays a central role in corporate governance in Barbados. Their responsibilities include setting the strategic direction, overseeing management and ensuring the company's long-term success. Effective boards are



characterised by their independence, diversity and expertise. Regular evaluations and continuous education for board members are essential for maintaining high performance and responsiveness to evolving governance demands. This is particularly important in a small but dynamic market like Barbados, where board effectiveness can significantly impact business outcomes.

The Intersection of Technology and Governance

Technology is increasingly important in enhancing corporate governance and compliance in Barbados. Digital tools and platforms facilitate more efficient monitoring and reporting, enabling real-time insights into companies' operations. However, the increasing reliance on technology also brings challenges, particularly in the realm of cybersecurity and data privacy. Barbadian companies must adopt robust cybersecurity measures and ensure compliance with data protection regulations to safeguard sensitive information, aligning with global best practices.

Legal and Ethical Compliance

Navigating the complex legal landscape is a fundamental aspect of corporate governance in Barbados. Companies must ensure compliance with a myriad of regulations, guidelines and standards to avoid legal repercussions and maintain their reputation. Ethical compliance goes beyond legal requirements, encompassing corporate values and principles. High-profile compliance failures globally serve as reminders of the consequences of poor governance. Benefitting from these cases, Barbadian companies can strengthen their governance frameworks to prevent similar occurrences and foster a culture of integrity.

Corporate Governance in Emerging Markets

Barbados, as an emerging market, presents unique challenges and opportunities for corporate governance. While the regulatory frameworks are still maturing, there is a growing recognition of the importance of strong governance practices. Efforts to improve governance standards are driven by both regulatory reforms and market pressures. Successful examples from other emerging markets highlight the potential for improved governance to attract foreign investment and enhance economic growth in Barbados. By adopting best practices and learning from these examples, Barbadian companies can position themselves in the global market.

Impact of Corporate Governance on Financial Performance

There is a growing body of evidence linking strong corporate governance to improved financial performance, and this is true for Barbadian companies as well. Companies with robust governance structures tend to perform better financially, as they are more resilient to crises and better equipped to capitalise on opportunities. Investors increasingly consider governance factors in their investment decisions, recognising that well-governed companies are likely to deliver sustainable returns. This shift underscores the importance of governance as a critical factor in business success in Barbados.

Future Directions in Corporate Governance

Looking ahead, corporate governance in Barbados is poised to undergo further transformations. Emerging trends include greater emphasis on environmental, social and governance factors, increased stakeholder engagement and the integration of artificial intelligence and big data in governance processes. Barbadian companies must stay ahead of these trends by continuously evolving their governance practices and embracing innovation. Preparing for upcoming regulatory changes and global shifts will be essential for maintaining competitiveness and achieving long-term success.

Your trusted legal advisors in Barbados... and so much more

We offer world-class legal services, built on a forty year plus reputation for innovation and dedication to excellence.

Chancery House, High Street,
Bridgetown, Barbados
+1 (246) 434-3400 | info@chancerychambers.com
chancerychambers.com

CHANCERY
CHAMBERS
— ATTORNEYS AT LAW —



Investing in Climate Resilience



GRANT MCDONALD
Country Managing Partner and
CARICOM Head of Tax
KPMG



DANICA CORBIN
Manager - Governance, Risk & Compliance
Services and ESG Driver
KPMG

The Government of Barbados has laid out a roadmap in “*Barbados 2035 - A Plan for Investment in Prosperity & Resilience*” - for investors seeking opportunities for economic returns while creating social value.

The Plan outlines an ambitious programme of transformation focused on delivering economic, social and most urgently, climate resilience for the people of Barbados. There were 12 priorities identified across three impact areas of:

- A vibrant economy and thriving communities
- Robust natural and physical infrastructure
- Fit-for-purpose institutions.

The Government hopes to attract US\$6.6 billion in private sector capital from both domestic and international investors. Priority investment projects over the next three to five years, include: a new resilient housing supply; climate-smart agriculture to support self-sufficiency; leaving no one behind – holistic social services; resilient coastal infrastructure; modernising and electrifying transportation systems; a sea port as a regional resilience hub and an airport upgrade to support growth; unleashing renewable energy potential; water sector resilience; wastewater management; a robust healthcare system; a smart, resilient education system and a digital nation.

In the Budget announced in March 2024, the Government proposed a series of tax credits, including the following three incentives specifically focused on the environment:

- 50% refundable tax credit for projects resulting in net zero emissions in Barbados
- 50% tax credit for beach rehabilitation, coral reef restoration and other marine conservation works approved by the Coastal Zone Management Unit

- 25% non-refundable tax credit to boost the 50% research and development tax credit, for projects related to the ocean and to the greening of the economy.

Further, the Government recently passed a Bill to establish the Barbados Blue Green Bank, which will facilitate financing of sustainable projects in the green and blue sectors of the economy. The Barbados Blue Green Bank has financial backing from the World Bank's Green Climate Fund and technical assistance from the United States Agency for International Development, as well as pledges of investment from regional development banks and other small island developing states, including The Bahamas and Guyana.

With a clear mission, supporting policies and a framework for financing projects, Barbados is becoming an attractive investment destination for companies offering low carbon solutions.

An example of private sector companies seeing the advantage of investing in Barbados, is the Canadian vertical farming company Growcer, which is exploring the option to make Barbados its Agri-tech hub. With the support of local government and investors to implement a US\$1.5 million farm in Phase 1, Growcer will follow quickly in Phase 2 with a further US\$9 million invested from the Growcer Investment Fund. Phase 3 brings further investment of US\$30 million including establishing a manufacturing hub in Barbados. This plan is projected to produce more than 40 million pounds of fresh food for the region while saving nearly 1.8 billion litres of water and generating more than US\$410 million in economic benefit.

A KPMG study in 2022, ‘Net zero readiness spotlight: Islands. The rise of small island economies — beyond net zero, attracting private capital’, highlighted some of the challenges small island economies (SIEs), like Barbados, face when trying to attract private capital investment to support net zero goals.



As the report explained:

“SIEs are caught in a Catch-22: they can’t attract private capital because they have a limited track record, and they have a limited track record because they can’t attract enough private capital. There remains a mismatch between what private capital requires and what these island economies can deliver.”

The recommendations on what individual SIEs should aspire to do to enhance their appeal as attractive destinations for global capital market players, include many of the things we see Barbados doing today, such as: a conducive political environment; a credible national strategy on net zero and conducive business practices.

Barbados is positioning itself as a destination for climate related investment, which is good for people, planet and profitability. More recently, Barbados has been at the forefront of several world leading financing initiatives as it relates to Blue Bonds and the push for inclusion of Climate Resilient Debt Clauses. To achieve its ambitions, Barbados will need an effectively operating eco-system involving government, private sector, academia and research, financiers and other stakeholders, all working together to make an impact.

Financial Security



Wayne Fields, President
DGM Financial Group
Tel: 1 (246) 434 4850
dgmfinancialgroup.com

- Trust & Corporate Services
- Management services for Captive Insurance, Insurance and International Companies
- Family Office Management
- License applications for International Banks and Insurance Companies
- Immigration Applications
- Listing Sponsor, International Securities Market in Barbados

SECURITY . TRUST . DEPENDABILITY

Beaches, Banks and Bond Markets



ED MAJEWSKI
Vice President – Investments
Summit Asset Management



CLAIRE BARKER
Relationship Manager
Summit Asset Management

Being able to look up from a Bloomberg terminal and see the sun shining over a clear blue Caribbean sea isn't something that had crossed my mind a year ago. Whilst this has been the reality of many lucky people, the concept still feels a little alien to someone who grew up and then worked in London. When I first waded into the sea on the south coast of Barbados, my whole reality was shaken. I turned and exclaimed to my wife, "The water is warm!"

Along with a narrow perspective of sea temperatures, I had also developed a rather linear view of a job in finance, which mostly involved queuing, a daily underground commute and working in a city. Please excuse my naivety on both accounts.

However, since relocating with my family, I have grown to appreciate that being in Barbados and enjoying "island life" does not mean you are an island when it comes to work.

Barbados is currently among the top ten jurisdictions for captive insurance companies globally, with several international investment firms either based or with branches here. These firms serve clients across North America, Europe

and the Caribbean. Barbados' location overlaps with working hours in Europe as well as East and West Coast USA. The latter helpful for a recent very time-sensitive Silicon Valley investment we secured access to, making for an interesting first week on the job!

High business retention rates speak to a team's ability to service international clients at a world-class level from Barbados. Virtual meeting technology and island-wide high-speed fibre allow for engagement with global clients, counterparties and fund managers seamlessly. That said, face-to-face client meetings are still invaluable for catching up and "kicking the tyres" on potential investments. Over the past month, our team visited Montreal, Calgary and the Cayman Islands, all made easy by the many daily direct flights to major financial hubs in the UK, Canada and the USA.

When it comes to the investment proposition, you are not selling yourself short. I am in the process of transferring to the Barbados Chartered Financial Analyst Society, which has active chapter leadership. Locally based firms also have access to the same cutting-edge investment platforms and investment management systems used in the big cities.

With more and more high-net-worth families moving to the island, there has been an equal pick up in the sophistication and quality of advisers. In addition to the many local professionals, international consulting, accounting and law firms also have offices here.

Barbados, as you might expect from a smaller island, has a strong community culture with an emphasis on personal relationships. In my short time in Barbados, I have also observed this in the work environment, including leveraging networks to identify best-in-class alternatives to supplement and diversify more traditional investments. This approach has led to clients deciding to deepen relationships, encouraging expansion remits over time to take on new mandates or outsourced chief investment officer functions, ultimately leading to securing clients' access to unique opportunities.

Between the relocation, new job and two children under two, I have not had as much time to check out the many recreational activities Barbados is well known for. But at least I know that the water will be warm when I get around to it!

One Partner for Every Solution

Your business deserves a partner as committed as you are.

At Sagicor, we deliver unmatched expertise in
Investments, Risk & Insurance Solutions,
ensuring you and your team are supported at every stage.

LET'S MAKE IT HAPPEN TOGETHER



Visit sagicor.com
or call us at **467-7500**.



Falling Interest Rates: Cash vs. Fixed Income Investment Dynamics



DARREN TREASURE
Executive Director - Caribbean
London & Capital

As inflation stabilises, central banks are gradually reducing interest rates, a significant shift impacting cash and bond investments. This environment necessitates strategic portfolio adjustments to manage risk and optimise returns.

Cash Investment Risks

In a declining rate environment, cash and cash-equivalents become less appealing. The two main risks to cash holders include:

1. **Erosion of Real Return:** When interest rates fall below inflation, cash investments lose value in real terms, diminishing purchasing power.
2. **Reinvestment Risk:** As short-term instruments mature, reinvestment at lower market rates reduces potential returns. This makes large cash holdings less viable, especially for investors seeking inflation-adjusted growth.

Benefits of Bonds in a Low-Rate Environment

Bonds generally benefit from falling interest rates due to the inverse relationship between rates and bond prices. Existing bonds with higher rates become more valuable as new bonds are issued at lower rates. Longer-duration bonds, in particular, see greater price appreciation, making them attractive in this environment.

However, bonds carry risks. If interest rates rise, bond prices drop, with longer-term bonds experiencing more volatility. For investors, a shift to bonds requires careful consideration of duration to balance potential gains with sensitivity to future rate changes.

Portfolio Rebalancing Strategies

With rates declining, the following strategies may enhance portfolio resilience and returns:

1. **Reduce Cash Holdings:** Limiting cash investments, aside from necessary liquidity, may mitigate return erosion.
2. **Increase Bond Exposure:** Shifting from cash to bonds – especially those with longer durations – could provide higher returns through price gains.
3. **Diversify Across Asset Classes:** Equities and inflation-protected securities, such as Treasury Inflation-Protected Securities, offer additional protection against inflation and diversify return sources.

Institutional Perspective: Yield Curve and Insurance Companies

For insurance companies, interest rate movements significantly affect asset and liability valuations. The inverted yield curve, with short-term yields outpacing long-term ones, presents an opportunity to "lock in" current yields by selecting bonds with maturities aligned to expected future needs. As rates continue to fall, insurers benefit from bond price appreciation on existing holdings, even as the yield curve normalises.

Conclusion

Falling interest rates reduce the appeal of cash while enhancing opportunities for bonds, particularly long-duration ones. However, maintaining a diversified portfolio remains essential to managing risk and optimising returns in a low-rate environment.

Disclaimer

The value of investments and any income from them can fall as well as rise and neither is guaranteed. Investors may not get back the capital they invested. Past performance is not indicative of future performance.



CASE STUDY



Barbados' first digital bank is proud to bring the future of banking to these beautiful shores. Established in 2022, Sagicor Bank (Barbados) Limited is a dynamic digital financial institution focused on offering commercial banking services to personal and business clients.

We pride ourselves on providing unmatched benefits to clients, efficiently and securely. Supported by a diversely skilled team located primarily in Barbados, we lead the island's digital banking revolution by boldly presenting banking options that are easy-to-get, simple-to-use, safe, secure and rewarding. We offer clients better savings rates, lower fees and the highest levels of convenience and service in our industry.

Sagicor Financial Company, our sole owner, has over 180 years of successful operating history on the island. Barbados has a robust financial services sector and infrastructure, along with the necessary human resources that allow for a neobank like Sagicor Bank to thrive.

As a financial hub in the Caribbean, Barbados boasts a stable governance structure and progressive legislation, facilitating high compliance with regulatory standards necessary in today's modern banking era. Further, the market has proven itself ripe for a fully digital institution considering both the maturity of the market and the population's high digital penetration in terms of smartphone and internet usage. Moreover, our market research found that there was an appetite for change - increased convenience, better interest rates and greater savings.

Essentially, Barbados has proven to be an ideal setting to grow the digital banking industry across the Caribbean, in large part due to developed infrastructure, a ready market, regulatory framework and digital adoption rates.

Work, Play, Live

WELCOME TO Barbados!

Your island office
awaits with the
**12-month Barbados
Welcome Stamp!**

Swap your daily commute for
sandy beaches and ocean views.
Barbados offers sun, sea, a vibrant
community, top-notch services
and safety.

Whether you're a solo
adventurer or a family seeking
new experiences, Barbados is
the perfect destination
for you!



Barbados at the AI Crossroads: Opportunities and Challenges in the AI Era



PIETA BROWN

Gen AI Leader, Caribbean & Bermuda Region, Risk Advisory
Deloitte

As artificial intelligence (AI) and generative AI reshape the global business landscape, Barbados stands at an important juncture. The nation's robust international financial services sector and progressive digital policies position it well to adapt to this technological revolution, though challenges may lie ahead.

The banking sector is embracing Barbados' AI adoption, with examples such as CIBC Caribbean recently showcasing Tiffany, a conversational AI avatar designed to enhance customer service and financial literacy. Export Barbados has also demonstrated the use of AI and robotics, particularly in property management, through its Innovative Industrial Estates initiative, automating tasks like lease payments and contract issuance.

The nation's commitment to innovation is evident in its recent return to the Global Innovation Index, securing the ninth position in Latin America and the Caribbean and 77th in the 2024 ranking globally. This achievement places Barbados as a leading innovator among CARICOM members.

The 2024 Barbados International Business Association Global Business Week Conference highlighted critical factors for successful AI implementation. Data readiness emerged as fundamental, emphasising that organisations must establish robust data foundations before implementing AI technology. The conference also revealed AI's potential beyond productivity gains, particularly in driving innovation and product development.

However, challenges must also be addressed. The Honourable Mia Amor Mottley, Prime Minister of Barbados, has emphasised the need for robust regulatory frameworks to govern AI usage, particularly given concerns about misinformation and potential misuse. This is especially crucial for Barbados' financial services sector, where AI applications must align with anti-money laundering (AML) requirements and cybersecurity considerations.

The intersection of AI with AML compliance presents both opportunities and risks. While AI can enhance

transaction monitoring and suspicious activity detection, the technology's "black box" nature could complicate regulatory oversight; financial institutions must ensure their AI systems can be effectively governed. Cybersecurity presents another critical challenge. As financial institutions increasingly rely on AI systems, they also become more vulnerable to sophisticated cyber-attacks including the risk posed by AI-generated 'deepfakes'. Addressing these risks requires a comprehensive approach to security, including enhanced monitoring systems and a proactive approach to security given the rapidly evolving landscape.

Barbados' service-based economy faces potential disruption from AI advancement. Local experts warn that a heavy reliance on service-based and knowledge sectors could make Barbados vulnerable to AI-related impacts. While this presents risks of job displacement in some service roles, it also offers opportunities for economic diversification and innovation. Educational institutions are responding to these challenges. The University of the West Indies (UWI) Cave Hill Campus now offers a specialised AI marketing course, while private sector institutions provide training in AI-driven software development. Dr. Curtis Charles, Director of Academic Affairs at UWI's Five Islands Campus, emphasises that universities and governments have a significant opportunity to retrain and prepare citizens for the AI-driven economy. To position itself effectively in the AI era, Barbados could consider several key focus areas such as:

- Developing a national AI strategy and roadmap that addresses both opportunities and risks





- Strengthening regulatory frameworks governing AI use, particularly in financial services
- Enhancing digital infrastructure to support AI adoption
- Expanding educational programmes to build local AI fluency and skills
- Fostering further partnerships between academia and industry to drive innovation.

Export Barbados' integration of AI into industrial operations provides a compelling example for how traditional sectors can leverage new technology. The path forward requires a balanced approach that embraces innovation and potentially disruptive technologies while addressing challenges in infrastructure, education and regulation. By taking decisive action now, Barbados can position itself as a regional leader in AI adoption and innovation, creating new opportunities for economic growth and development in the digital age.

CASE STUDY

TRIDENT TRUST

Trident Corporate Services (Barbados) Ltd, was incorporated in June of 1994. It was the fourth Trident Trust Group office to open in the Caribbean region, since the first was founded in the US Virgin Islands in 1984.

The government of Barbados recognised the importance of international investment and made it a priority to provide an associated conducive environment. Sociopolitical stability, democratic values and a solid judicial system provide a framework of security for businesses, as well as the predictability required to project and manage growth. A well-

educated and highly skilled workforce, a strong network of tax treaties and comprehensive anti-money-laundering legislation all contribute to an efficient and secure environment in which to do business. Furthermore, the Barbados Dollar is linked to the US Dollar, while the country has a robust banking sector which several international institutions call home.

Following the establishment of Trident Corporate Services (Barbados) Ltd, its range of services steadily increased. Beyond the establishment, re-domiciliation, amalgamation, administration and dissolution of Barbados entities, this now also

includes but is not limited to registered agent and registered office services; director, shareholder and corporate secretary services; tax administration, Foreign Currency Permit (FCP) applications, renewals and even work permit, Welcome Stamp and residency applications.

The FCP, Welcome Stamp and tax benefits related to structuring real estate investments using external companies are just a few features that have augmented the Barbados business environment in more recent times.

Driven by Barbados' progressive economic and legislative reforms over the last three decades, today at Trident Barbados we are a team of 18 dedicated and experienced professionals, working within a global team of 1,100 operating in more than 25 jurisdictions worldwide.

Barbados: A Gateway for Caribbean and Latin American Investors



JAVIER LEMOINE
Director – Tax
PwC

Barbados has steadily emerged as a premier investment destination in the Caribbean, offering several advantages to regional investors. The jurisdiction stands out not only for its stunning scenery and vibrant culture, but also for its favourable tax regime and robust economic framework. Relocating dedicated functions or shared services to Barbados offers foreign companies a unique combination of tax efficiency, operational support and strategic advantages. Here, we explore several compelling benefits that make Barbados an attractive option for investors from across the region.

Tax efficiency

Barbados boasts a tax regime that can reduce the tax burden on foreign companies. One of the standout features of Barbados as an investment hub is its extensive network of tax treaties with 40 countries. These treaties are strategically designed to prevent the problem of double taxation, ensuring that investors do not face taxation on the same income in multiple jurisdictions.

Unlike many other jurisdictions, Barbados does not impose capital gains taxes. The absence of capital gains taxation is particularly advantageous for investors looking to expand their portfolios through the acquisition and holding of assets. Dividends received from a non-resident company are not subject to tax where a Barbados holding company owns more than 10% of the capital of the non-resident company and

the investment is not held as a portfolio investment. Furthermore, there are no withholding taxes on dividends paid by a Barbados holding company to a non-resident shareholder, where those dividends are paid out of income derived from sources outside of Barbados.

Another noteworthy aspect of the Barbadian tax regime is its corporate tax rate, set at 9%. The tax rate is complemented by further tax incentives, including the ability to claim foreign tax and research and development credits.

These features not only enhance the attractiveness of investing in Barbados, but also align with the goals of fostering a dynamic and profitable investment climate.

Operational efficiency

Relocating to Barbados can also lead to operational efficiencies. The island provides a stable political and economic environment and the cost of labour in Barbados is generally lower compared to many English-speaking developed countries, allowing companies to reduce operational expenses. Furthermore, foreign companies have access to existing skilled labour in key industries, including hospitality, captive insurance, financial services, fintech, agriculture and renewable energy. This ensures there is sufficient substance in Barbados to add value to the business from both a tax and operational perspective.

Strong regulatory framework and alignment with international standards

Barbados has a strong regulatory framework which is crucial for long-term planning and investment. The country is fully compliant with the Organisation for Economic Co-operation and Development's (OECD's) base erosion and profit shifting framework, which not only enhances its reputation as a legitimate investment destination, but also ensures that it remains off any blacklists.

Barbados continues to demonstrate that it is committed to ensuring that there is adequate regulation, compliance and tax governance, as the country seeks to remain attractive for businesses, whilst complying with the ongoing requirements of the European Union and the OECD's base erosion and profit shifting framework.

Conclusion

Barbados stands out as a premier investment destination in the Caribbean and Latin America, offering a unique blend of tax efficiency, operational support and strategic advantages. As regional investors look to diversify their portfolios and expand their operations, Barbados promises not just a stunning lifestyle, but also a dynamic and favourable environment for growth and success. Investing in Barbados is not merely a financial decision – it is a strategic choice that positions investors to take advantage of the opportunities available in this thriving island.



New opportunities for a modern economy

With recent developments in Barbados' tax and corporate landscape, new and unique opportunities have opened for small and medium-sized entities with attractive benefits.



© 2025 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Learn more



Ronaele Dathorne-Bayrd
Tax and Legal Services Leader
1 (246) 626 6652
ronaele.dathorne-bayrd@pwc.com



Sophia Weekes
Tax Engagement Leader
1 (246) 626 6758
sophia.weekes@pwc.com



Javier Lemoine
Tax Director
1 (246) 626 6661
javier.lemoine@pwc.com



Amanda Layne
Tax Director - Transfer Pricing
1 (246) 626 6879
amanda.layne@pwc.com

CASE STUDY

JALIN

Jalin, a growing design firm specialising in a sustainable brand of garments and uniforms for the film, entertainment and hospitality industries, strategically chose Barbados to capitalise on the island's unique advantages.

The company identified Barbados as an optimal location for its Caribbean operation due to its accessible location – situated between North and South America, friendly people, political landscape and the sustainable initiatives being pursued by the country.

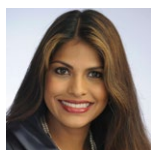
Since launching operations in Barbados, Jalin has made significant strides, forging collaborations with local businesses across industries, leading to innovations and the creation of a network of capability that ensures growth.

Barbados' rich pool of talent has enabled Jalin to build an efficient team. This includes bilingual proficiency, and with English as the official language, efficient communication with our UK entities exists, which in turn supports our growing international list of clients and partners.

Barbados is also world-renowned for its hospitable culture with a focus on high-quality customer experiences that exceed expectations. Additionally, the government of Barbados also offers favourable tax rates for foreign businesses, encouraging investors to grow and further invest in the local economy while the country's stable political environment reduces risks associated with investment.

Jalin has also tailored its products and services to meet the specific needs of the Caribbean market, using Barbados as its base, while still maintaining a global outlook. Barbados' attributes along with the progressive nature of its political policies and mindsets have resulted in Jalin's growth and the expectation that the company will continue to thrive.

Exploring Barbados Trusts: A Pathway to Wealth Management



AMANDA LASHLEY
Vice President, Trust & Legal
Cidel Bank & Trust

Barbados has long been recognised as a leading jurisdiction for global wealth management, offering a secure, efficient and attractive environment for individuals seeking to protect and grow their assets. With favourable tax policies, established legal framework and commitment to privacy, Barbados has become a favoured jurisdiction for trusts. Whether for estate planning, asset protection or tax optimisation, these trusts provide a flexible, tailored solution to meet diverse financial needs.

The Barbados Trustee Act, Cap. 250 is a foundational piece of legislation that governs the role and powers of trustees and establishes a clear framework for trust administration. In January 2019, the International Trusts Act, Cap. 245 was repealed and replaced by the Trusts (Miscellaneous Provisions) Act, 2018-49 (TMPA). This introduced significant updates to the governance and management of trusts, strengthening the legal framework and positioning Barbados as a jurisdiction that aligns with international standards set by organisations such as the Organisation for Economic Co-operation and Development and the Financial Action Task Force.

Key Features of the TMPA

- **Creation of Trusts:** Trusts must be established through a formal written instrument. If a revocation clause is not included, the trust is irrevocable, even if created voluntarily
- **Duration of Trust:** Trusts can exist for up to 100 years, except for purpose or charitable trusts, which may continue indefinitely
- **Asset Protection:** Dispositions made with the intent to defraud creditors can be voided, with the burden of proof lying with the creditor. Legal actions to challenge such dispositions must be initiated within three years of the relevant transfer. The transferee may retain certain rights if the disposition is invalidated
- **Governing Law:** The governing law of a trust is determined by the jurisdiction specified in the trust agreement or the jurisdiction most closely connected to the trust
- **Purpose Trusts:** Barbados allows for the creation of purpose trusts, which can be established for specific non-charitable purposes. These trusts require a protector to ensure the trust's execution
- **Protector of Trust:** A protector may be appointed with powers such as the ability to remove trustees, appoint new trustees or modify the trust's governing law
- **Confidentiality:** Trustees are required to maintain confidentiality regarding trust details, except when disclosure is mandated by law or court order.

Domicile Test for Trusts

Amendments to Section 85 of the Barbados Income Tax Act, Cap. 73 introduced a domicile test for trusts. A trust is deemed to be domiciled in Barbados if it satisfies any three of the following criteria:

- The settlor is a resident of Barbados
- The beneficiaries are residents of Barbados
- The proper law of the trust is in Barbados
- The assets of the trust consist of property situated in Barbados.

Taxation

A beneficiary residing in Barbados will be subject to tax on any distributions made by the trust. However, for non-resident beneficiaries, only income sourced from Barbados will be taxable upon distribution. Trusts that are both resident and domiciled in Barbados under the TMPA are liable for tax on their worldwide income, but only to the extent that such income is remitted to Barbados.

Barbados provides a strong legal foundation, tax efficiency, asset protection and a high level of confidentiality, making it an ideal jurisdiction for estate planning, wealth management and tax optimisation. The comprehensive legal framework, along with modern legislation such as the TMPA, reinforces Barbados' position as a trusted jurisdiction for individuals seeking to safeguard and grow their wealth on a global scale.



Transforming Africa's Trade

Afreximbank champions Africa's long-term growth and prosperity.

For 30 years, the Bank has been deploying innovative structures to deliver financing solutions that support the transformation of the structure of Africa's trade, accelerating industrialisation and intra-regional trade, thereby boosting economic expansion in Africa.

Subsidiaries:



Specialized Initiatives:



ATG Initiatives:



Discover more [@afreximbank.com](https://twitter.com/afreximbank)

Like, comment and share Afreximbank content



Barbados is Well Suited for Developing and Exploiting Intellectual Property



DOMINIQUE PEPIN
Managing Director
Tailored Tax Solutions

For hundreds of years, individuals have been using their creativity to conceive gadgets, devices, processes and other things that the rest of us find beneficial or that we want to use. The list of inventions and their creators is endless.

Such inventions known as intellectual property (IP) go well beyond light bulbs and potato peelers. It includes such intangibles as patents, literature, artwork, logos or trademarks, brand names, industrial design, computer code and even plant varieties. And then there are trade secrets as well; for example, the formula used to make Coca Cola.

Today, because companies are driven to innovate, in a knowledge-based economy, this property is incredibly valuable. This is why businesses guard and defend their IP so fiercely. Come too closely to a logo like Nike's and legal action may follow.

IP can create tremendous competitive advantage, enabling businesses to be not only first to market with a new product or service, but to dominate the market for a significant period of time. It can also attract investors and provide companies with better access to financing.

In essence, IP that manifests itself as new products or services can generate millions, indeed billions, for a company and its shareholders. Look no further than Microsoft and its co-founder Bill Gates. It also creates employment and other economic benefits.

To incentivise international businesses to locate IP activities here, Barbados has amended its Income Tax Act. For example, in 2024, the Government introduced the Research and Development (R&D) Tax Credit to encourage

international and local businesses to innovate and develop new products and services. This credit is equal to 50% of the eligible R&D expenditures in sectors such as medical, engineering and technology, natural sciences and financial technology.

In that amendment, the Government also created what is known as a "patent box". In essence, this is a tax incentive that allows eligible businesses to pay a reduced rate of corporation tax on profits generated from qualifying IP, such as, but not limited to, invention patents, copyrighted software, rights for the registration of industrial design, integrated circuit topography, medicinal or veterinary products and new plant varieties.

Qualifying expenditures are incurred to develop, enhance, protect, maintain and exploit IP, with such activities being carried out in Barbados by the company or outsourced to a local or foreign non-related party. The patent box rules also state how the income from that IP will be determined and taxed, using a nexus ratio which is designed to determine the portion of profits that is eligible for the reduced tax rate.

And when it comes to tax, the good news for companies that qualify for the patent box regime is that the rate of tax on income derived from qualifying IP is 4.5%. This is half the current corporate tax rate in Barbados.

Of course, there are benefits for Barbados besides tax revenue. There is job creation and, increasingly important for a sustainable economy and even growth, the transfer of skills.

Small wonder then, that for international businesses looking to establish serious R&D and IP activities outside of their home countries, Barbados' welcome mat is out.



Leverage the power and versatility of AI

Let us help you reach new levels of organizational excellence. With a focus on Trustworthy AI, we help our clients build awareness and skills, shape their strategic direction and implement technology in a safe and responsible way.

Connect with us to learn how you can get started:



Pieta Brown
Director | Gen AI
pibrown@deloitte.com



Kerry Jordan
Director | Strategy, Risk & Transactions
kjordan@deloitte.com

Barbados: A Global Hub for Debt Financing and Debt Administration



JAMAR ARTHUR-SELMAN

General Manager
Centralis (Barbados) Ltd.

With over 60 years of experience in the global financial services sector, Barbados is no stranger to the international community. Fully equipped to meet the complex needs of intragroup and external debt financing and administration, it remains a trusted hub for global clients. The key to this support lies in a strong yet flexible regulatory environment, backed by top-tier expertise in legal, tax, accounting, investment and financing. Combined with responsive service providers and investor-focused legislation that is globally competitive, it ensures seamless setup and operational support.

Debt financing and debt administration

Barbados has become the jurisdiction of choice for intragroup debt financing and debt administration, as well as a key link in the chain for public debt listings in other territories. Debt administration in Barbados specifically has quickly become one of the growing core services offered to clients headquartered in the USA, Canada and Europe. Debt administration in this context involves managing, reporting and monitoring all aspects of financing to ensure compliance with loan documentation. This process minimises the risk of financial defaults while safeguarding the lender's financial objectives.

This includes monitoring interest and principal repayments, issuing notices and invoices, providing treasury support functions, managing accounting and reporting activities. Regularly assessing the financial condition of borrowers and effectively monitoring and managing debt repayments in line with financing documentation and internal policies add significant value to multinational corporations.

International financial services centre

As a responsible international financial services hub, Barbados complies with global standards to ensure that finance business is conducted with the required substance. This includes employing qualified staff (or outsourced professionals from local service providers) to carry out core income-generating activities in Barbados, with strategic decisions on financing made by qualified board members during board meetings held locally.

Directors and employees are also actively involved in setting funding terms, determining the duration of financing, monitoring and revising agreements and managing risks associated with the relevant debt.

Debt administration is an integral part of the core activities and Barbados service providers and directors assist by providing key services such as:

- Managing all aspects of collections including issuance of interest invoices, maintaining and monitoring payment and interest schedules
- Conducting creditworthiness assessments of new and existing borrowers to ensure they are or remain in good standing
- Preparing cashflow forecasts, budgets and management accounts to ensure liquidity to meet deliverables
- Reviewing independent debt financing analysis and making recommendations to the board on renewal terms and new issuances
- Presentation of management reports to the board of directors with all relevant information
- Reviewing loan agreements and conducting periodic compliance assessments of borrowers to ensure compliance with key provisions and to predict potential events of default.

Specialised service providers administer loan portfolios of corporate clients with aggregate loan values typically ranging from hundreds of millions to several billions of dollars. Some of the industries being supported globally from the financing activities of Barbados subsidiaries include the energy, financial services, transportation and chemical sectors.

Above and beyond

Beyond debt administration services, local service providers assist with managing financial audits for lenders and ensuring all regulatory filings, including corporate and tax, are completed. This helps keep a company in good standing and prevents any negative impact on core operations of the business.

INVEST IN YOURSELF. INVEST IN BARBADOS.

Starting at just \$500, BOSS+ Bonds are a five-year investment that pays 4.5% interest per year, and you pay no withholding tax on your earnings. While your bonds reach their maximum value after five years, you have the option to cash them in, without penalty, after just 24 months. You can also trade them through a broker or sell them to someone else at any time.

What's more, with BOSS+, you're not just investing in you. The money you invest in BOSS+ will be used on projects contributing to Barbados' economic, social, and environmental development. That means that even as you're building your wealth, you're helping to build up the country.

Visit the www.centralbank.org.bb
today to learn more.



BOSS+
BARBADOS OPTIONAL SAVINGS SCHEME PLUS

Enhancing Regulation through Information Technology Transformation



NICQUON NICHOLLS
Research Officer
Financial Services Commission



TRAMAL WHITEHALL
Independent Contractor - Research
Financial Services Commission

Barbados boasts a well-developed and well-regulated non-bank financial services sector overseen by the Financial Services Commission (FSC). Under the FSC's regulatory oversight are credit unions, insurance companies, mutual funds and pension funds. The FSC's mission is to promote the development of a vibrant, competitive and innovative financial services industry that meets the needs of local and international stakeholders. Barbados' thriving captive insurance market is a testament to this fact; having entered the market in 1984, it has risen to become a key domicile for the international captive insurance business. According to the 'Business Insurance' statistics, this small island ranks within the top ten of the largest captive insurance portfolios globally among 66 competing jurisdictions. As of November 2024, there were 270 captives registered to write related-party or third-party business in Barbados. A significant portion of these insurers and reinsurers hail from Canada, followed by the USA, Caribbean, Latin America and Europe.

Why should Barbados be your captive insurance destination of choice?

- **Robust legal framework:** Barbados has a strong legal system based on English common law, which ensures transparent and fair dispute resolution. This legal foundation provides captives with clarity and predictability in business dealings
 - o *Insurance companies are licensed under the Insurance Act, Cap. 310 and categorised into three classes*

- **Access to skilled professionals and support services:** Barbados has a highly skilled workforce, including accountants, actuaries, attorneys and other financial services professionals who are experienced in supporting the needs of captive insurance companies. The local business community also includes reputable international firms providing advisory and management services
- **Flexibility in regulatory classification:** Barbados offers flexibility in the classification of captives, allowing for the establishment of pure captives, group captives and segregated cell companies
- **Seamless registration and licensing process for captive insurance companies with the FSC**
- **NO restriction on insurance business written.**

What role does the FSC play?

As the regulator, the FSC is committed to fostering confidence across the industries under its purview, ensuring the efficient and effective functioning of the non-bank financial sector both locally and internationally. To further the efficiency and effectiveness of our regulatory abilities and to further enhance our competitiveness internationally, the FSC has made several changes both to its structure and to its regulatory framework through the implementation of the following guidelines:

Class of Licensee	Business Activity	Tax Rate
Class 1	An insurance company which underwrites related party business	0%
Class 2	An insurance company which underwrites risks of third parties	2%
Class 3	An insurance intermediary, insurance management company, or insurance holding company	2%

- **Material Changes Guideline** – This is a requirement for regulated entities to report on changes that may be deemed impactful to the company's operations or performance. Timely notification to the FSC is critical as such changes may impact the company's risk profile
- **Cybersecurity Guideline** – This comprises recommended policies and practices to be implemented by financial institutions to mitigate technology and cyber risks
- **Corporate Governance Guideline** – This sets out the minimum standards to be observed and implemented by key decision makers of the entities that are regulated by the FSC
- **Fitness and Propriety Guideline** – This sets out the expectations as it relates to the fitness and propriety of all relevant persons.

The FSC is committed to enhancing its regulatory capabilities through a comprehensive IT transformation initiative. This strategic shift aims to create a more data-driven approach, leveraging advanced technology and innovative data solutions to strengthen oversight and adaptability. Additionally, the FSC is implementing a suite of legislative reforms to establish a modernised, forward-looking regulatory framework that supports a well-regulated and resilient financial sector.

Barbados stands out as an ideal jurisdiction for international investment, particularly in the captive insurance sector, due to its robust regulatory framework, political stability and commitment to fostering a secure, transparent business environment. The FSC remains committed to maintaining these high standards in accordance with international best practices and will continue to improve with the implementation of forward-looking guidelines that enhance corporate governance, cybersecurity and risk management. As the global insurance landscape continues to evolve in the presence of climate change, rising insurance prices and technological advancements, Barbados remains positioned to cater to investors seeking a reliable jurisdiction and continues to offer an exceptional opportunity for growth in the financial services industry.

Barbados stands out as an ideal jurisdiction for international investment, particularly in the captive insurance sector.

CASE STUDY



VM Wealth Management Limited

VM Wealth Management Limited (VMWML) opened its first office in Barbados in September 2023.

The company is a wholly owned subsidiary of VM Investments Limited, a publicly listed company on the Jamaica Stock Exchange and a member of the 146-year-old VM Group. VMWML has operated on a simple but enduring purpose; providing financial solutions that enhance the lives of people regardless of their socio-economic standing. The VM Group is driven by one goal, helping you Transform Your Everyday. This is why we continuously work to offer products and solutions; so, no matter what stage you are in your journey, we stand with you.

From January 2024, VMWML has been the Investment Manager and Administrator of VM Wealth Funds Ltd. in Barbados, offering mutual funds to all Barbadians and corporations. More broadly, VMWML offers a wide range of financial services products to its customers, including unit trusts, customised portfolio management, securities trading, treasury products, brokerage services, equity and debt structuring and financing.

Barbados represents a stable base for the VM Group to continue its expansion in the region. Barbados' stable political landscape, its economic growth and growth potential, strong regulatory governance, tax efficiency for CARICOM nations and the educational strength of its people are all reasons to come here to do business. The beaches are a definite bonus!

VMWML is committed to expanding its offerings in Barbados and the wider southern Caribbean to align with its existing business, being a true Caribbean financial company, empowering Caribbean citizens by providing access and education to a wide array of financial products.

To Trust or Not to Trust?



MARLON YARDE
Managing Director
Barbados Stock Exchange Inc.

Often in life, we face existential questions: What is our purpose? Why are we here? Are trusts the most effective way of managing my assets?

The works of Shakespeare, through Hamlet, may be best suited for addressing the first two questions. An answer to the latter however, can be found in beautiful Barbados, a discerning jurisdiction with an excellent reputation for creating and administering trusts for asset preservation and optimisation.

Trusts and Business: An Underrated Nexus

Trusts serve as effective tools for managing and protecting business assets, facilitating succession planning and ensuring smooth transitions of ownership. They can hold shares in a company, allowing for organised control and distribution of interests among beneficiaries, which is particularly important during ownership changes or the retirement of key stakeholders. Trusts can also provide asset protection from creditors and help optimise tax liabilities for the business. Additionally, they offer privacy and confidentiality regarding ownership structures, which can be advantageous in competitive markets.

Further, the benefits of using trusts extend beyond implementation by private companies – publicly listed companies should also consider these vehicles to enhance corporate governance, manage shareholder interests and protect assets. Trusts can facilitate succession planning by ensuring a smooth transition of ownership and control, which is crucial for maintaining stability during changes in leadership. They also provide a mechanism for managing employee benefits, such as stock options or pension plans, while optimising tax efficiencies.

Another crucial consideration is that trusts can safeguard company assets from potential legal claims, enhancing the overall financial security of the organisation.

By incorporating trusts, public companies can strengthen their operational framework and better align with the interests of shareholders and stakeholders. In fact, business leaders should consider it a fiduciary duty of theirs to at least consider whether the use of trusts can optimise business operations.

Barbados and Trusts

The trusts framework in Barbados has its roots in English common law, a lasting feature from our colonial history. The key legislation governing trusts is the Trust (Miscellaneous Provisions) Act, 2018-49, which provides a comprehensive legal structure for the creation and administration of trusts.

Over the years, Barbados has developed a favourable reputation as a pragmatic jurisdiction for trust law, allowing the jurisdiction to attract global clients by leveraging its robust legal framework, tax advantages and strong confidentiality protections. Additionally, the island's numerous double taxation treaties further position Barbados as an attractive option for international investors seeking to optimise their tax positions while ensuring compliance with global standards.

Overall, the trusts framework in Barbados augments financial security and provides flexibility for both local and international clients.

The Barbados Stock Exchange Commitment

Here at the Barbados Stock Exchange, we have formed an additional, focused company that is committed to the highest standards of compliance and security. This company, the Barbados Central Securities Depository Inc. Custodian Trust Services Inc. (CTSI) was established to consistently deliver cost-effective and dependable custodian trustee services to members of the financial industry. We believe that our strong adherence to regulatory requirements, coupled with our continuous investment in advanced technology, positions us as a trusted partner locally, regionally and internationally.

As we continue to navigate the dynamic landscape of international finance, CTSI remains dedicated to delivering superior custodian and trust services. We are privileged to enjoy steadfast support from all of our stakeholders and remain ever committed towards preserving Barbados as the Caribbean's hub for trusted business.



Realtors LIMITED

MARINA LIFESTYLE & AMENITIES



Port St Charles Unit 256, St. Peter

2 bed 2 bath \$ 850,000 USD

ESCAPE DEVELOPMENTS NEW BUILD LUXURY



Ayana, Lower Carlton, St. James

4 bed 4 bath \$ 895,000 USD

ROYAL WESTMORELAND LUXURY GOLF RESORT



Seaduced, RWM, St. James

5 bed 5 bath \$ 4,900,000 USD

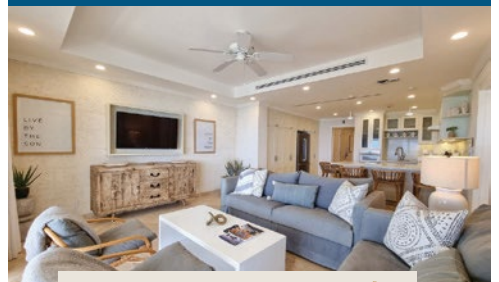
SOUTH COAST BEACHFRONT CONDO



Palm Beach 104, Christ Church

3 bed 3 bath \$ 1,390,000 USD

RESORT LIVING AT THE CRANE PRIVATE RESIDENCES



The Crane, Unit 5243, St. Phillip

2 bed 2 bath \$ 1,095,000 USD

timeless investments
from St. Peter to St. Phillip



Contact our team
for investment
opportunities
around Barbados.

USA: 1-800-655-0034
Canada: 1-800-330-5791
U.K & E.U: 08000148461



www.realtorslmltd.com



Info@realtorslmltd.com



@realtors_barbados



+1 (246) 537.6930

AI and Ethics: Navigating the New Frontier for Business Leaders



ROLAND JONES

Managing Director and CEO
The Axebridge Group

Artificial intelligence (AI) is revolutionising industries at a pace we've never seen before, and for business leaders, large or small, the potential is vast. From streamlining operations to enhancing customer insights, AI promises to bring new levels of efficiency and innovation. But with this potential comes a complex set of ethical dilemmas that must be addressed. As AI becomes more ingrained in business operations, leaders must navigate the challenging terrain of fairness, transparency, accountability and trust. In this article, we will explore these ethical considerations through the lens of business, offering insights on how leaders can use AI responsibly without sacrificing their values.

The AI Revolution in Business

Across industries, AI is making waves. Predictive analytics are helping companies anticipate market trends, chatbots are transforming customer service and machine learning algorithms are refining everything from supply chain management to personalised marketing. The promise of AI, particularly for businesses, is simple: better, faster and smarter decision making.

But for all its advantages, AI raises critical ethical questions. How do we ensure that AI-driven decisions are fair? Can we trust these algorithms to act in the best interests of our business and stakeholders? And perhaps most pressing of all, how do we ensure that AI operates in a way that aligns with our company's values and ethical standards?

Bias and Fairness: A Growing Concern

One of the most talked about challenges in AI is bias. Since AI systems learn from historical data, they can easily pick up and perpetuate biases present in that data. This is especially problematic in areas like hiring, credit scoring and customer service, where AI-driven decisions can affect people's lives and livelihoods. Business leaders must therefore be proactive in addressing this issue. For example, consider an AI algorithm used to assess loan applications. If the data used to train the model reflects historical biases—such as applicants from certain demographics—then the AI system will likely continue to perpetuate these biases. This is not just a moral problem; it is also a reputational and legal risk for businesses. Companies that rely on biased AI systems if not could face lawsuits, fines and public backlash.

To mitigate this risk, businesses must prioritise diverse and representative data sets when training AI systems. Regular bias audits should be conducted to ensure that



algorithms are not reinforcing harmful patterns. By taking these steps, business leaders can protect their company from legal risks and ensure their AI systems deliver fair, ethical outcomes.

Transparency and Accountability: The Black Box Problem

In business, transparency and accountability are cornerstones of trust. But AI introduces the challenge of the "black box"—where algorithms make decisions that even their creators cannot fully explain. This lack of transparency can lead to distrust among customers, employees and even regulators.

For example, imagine a business using an AI system to determine product pricing. If customers feel they are being unfairly charged or cannot understand how prices are set, trust in the business may erode. Similarly, employees or partners might question the fairness of AI-driven decisions regarding promotions or bonuses if those decisions are opaque.

To overcome the black box problem, business leaders must advocate for AI systems that prioritise explainability. This means choosing AI models that allow for clearer insight into how decisions are made. Additionally, businesses should document how AI systems work, detailing their algorithms and methodologies, and make this information accessible to stakeholders. Not only will this foster trust, but it will also make it easier to comply with evolving regulatory requirements

Ethical Governance: A Business Necessity

Governance is at the heart of ethical AI use. As AI systems become more prevalent in business, leaders must put frameworks in place to ensure these technologies are used responsibly. This involves setting up policies and procedures to guide the development, deployment and oversight of AI.

An increasingly popular approach is the creation of AI ethics committees. These committees, made up of diverse stakeholders—such as technologists, ethicists and legal experts—can help ensure that AI initiatives align with a company's values. Whilst committees may seem daunting or impractical for smaller businesses, solutions such as outsourcing or insisting on a more diverse board may resolve this issue. AI ethics committees can address potential issues before they escalate, such as misuse of AI or violations of privacy laws.

Ethical AI governance must keep pace with legal developments. AI regulations are still evolving, but forward-

thinking businesses cannot afford to wait. Leaders should monitor emerging AI regulations and ensure their systems comply with data protection laws, anti-discrimination regulations and industry-specific rules. Proactive governance not only reduces regulatory risk but also sets a business apart as an ethical leader in its industry.

The Human Element: The Limitations of AI

While AI can automate many tasks and provide data-driven insights, it cannot replace human judgment, creativity or empathy. Business decisions often require more than just number crunching—they require ethical reasoning and the ability to weigh intangible factors. AI may offer a recommendation, but it is up to human leaders to decide whether it aligns with the company's broader goals and values.



For instance, AI might suggest layoffs based on financial projections. While cost-cutting might make sense on paper, human leaders must consider the ethical implications of such decisions. How will layoffs affect employee morale? What message will it send to remaining staff? Similarly, an AI system might flag certain customers as "high-risk," but only a human leader can assess the broader relationship dynamics and potential long-term value of the client.

In this sense, AI should be seen as a tool to augment human decision-making, not replace it. Business leaders must remain actively involved in decision-making processes and ensure that AI-driven recommendations are balanced with ethical considerations and align with business goals.

Charting the Ethical Path Forward

AI offers businesses opportunities for growth and innovation, but it also introduces complex ethical challenges. For business leaders, the responsibility is clear: to harness the power of AI while ensuring that it is used in ways that are fair, transparent and accountable.

By addressing bias, demanding transparency and establishing robust governance practices, businesses can embrace AI without compromising their values. As AI continues to evolve, the companies that lead with ethics will not only thrive but also shape the future of business in a way that benefits everyone.

The question for business leaders is not whether to use AI, but how to use it responsibly. Are we ready to rise to the challenge, or will the ethical pitfalls associated with AI undermine the transformative potential we seek to unlock? The answer will define the future of business in the AI era.

Barbados Welcomes a Perfect 'Green' Storm



CHRISTOPHER SAMBRANO
Managing Partner
Ernst & Young Ltd



TRACY MARSHALL
Country Managing Partner –
Barbados, Eastern Caribbean
Ernst & Young Ltd



MARIA DANIEL
Partner
Ernst & Young Ltd

Barbados offers fertile ground for the conditions necessary for a perfect 'green' storm. This has been put in motion by the 'Bridgetown Initiative', which was catalysed by Barbados' Prime Minister, The Honourable Mia Mottley, in 2022.

A few years later, the nation is poised to transform three threats (climate change, financial and digital exclusion and high levels of national debt) into a synergistic opportunity for sustainable growth and socio-economic development, by fully unlocking the untapped benefits of Fintech applications – to generate hurricane-level winds of positive change.

Impending crisis leads to unprecedented innovation

Given its peculiar vulnerability in the face of climate change and the related current and imminent impacts, Barbados embarked on an integrated climate adaptation project (*Roof to Reefs*), that is dedicated to finding domestic innovations that will create sustainable solutions to short and medium-term challenges.

This home-grown, innovation-centred mindset was a buoy for Barbados, as the island was also stifling under a crushing debt crisis, which would have been exacerbated by the tidal wave high costs of fending-off climate change (The United Nations' fourth international conference on small island developing states (SIDS) held in Antigua and Barbuda in 2024 revealed that SIDS will need to raise "upwards of US\$26 billion annually").

It has ushered in Barbados' *unprecedented debt-for-climate operation* recently completed in partnership with its international funding partners. With the help of these partners, Barbados refinanced its costly debt using more affordable options, resulting in US\$125 million in fiscal savings. These savings will be used to improve water resource management and boost water and food security.

The third leg

With this backdrop, Senator, the Hon. Chad Blackman, Minister of Economic Affairs and Investment, as a panellist on the "Banking on a Sustainable Path" segment of the recently held 'Fintech Islands' summit, referenced the integration taking place between finance, sustainability and technology.

He alluded to the unique opportunity that Barbados has to incorporate Fintech applications as the third leg in crafting a stool, which would offer a much-needed ladder for grassroots and vulnerable communities, so they can be included in climate change solutions and opportunities.

Private and public sector leaders have adopted the same mindset that led to the debt-swap instrument and are advocating that recognition be given to the inextricable entanglement between financial inclusion and environmental sustainability.

Demonstrating a progressive outlook, the Barbados Fintech Roundtable – comprising government officials and key influential stakeholders – was convened to outline a comprehensive road-map for adopting Fintech at all levels of national development.

COP29: Finance COP

The 2024 UN climate conference placed a significant emphasis on mobilising finance, in these ways, and is known as the 'Finance COP'. These interrelated developments present both challenges and opportunities for financial institutions, necessitating strategic alignment, innovative financing solutions and enhanced risk management frameworks.

As we look ahead, the financial services sector must continue to evolve and adapt to the rapidly changing landscape of climate action and sustainability. The harmonisation of climate reporting frameworks behoves financial institutions to enhance sustainability integration across their enterprise, drive sustainable investment and support the global transition to a net-zero economy.

Shaping the Future with Confidence

As Barbados continues its energy transition journey, that will include distributed energy resources (DERs), EY predicts that US\$850 billion will be invested in DERs by 2030, some of which can be attracted to SIDS like Barbados.

The storms are coming, but we remain committed to building the future with confidence based on finding the balance between people, planet and profits.

Barbados' Business Offer in a Post Global Minimum Tax Environment



PASCAL SAINT-AMANS

Partner
Brunswick Group

For decades, Barbados has been a prime investment hub, facilitating cross border investments thanks to a favourable tax regime paired with an extensive tax treaty network and a real “savoir-faire” on the island in hosting companies, trusts and global workers.

In a post Global Minimum Tax environment, a single digit on a sheet of paper is not enough anymore to attract business. Today, factors like reputation, tax certainty, compliant targeted incentives, as well as reliable infrastructure and quality of life, are the pillars of a country's competitiveness. Barbados has anticipated these changes and taken action to be a leader and not just a follower.

Reputation as a Valuable Asset

Reputation matters significantly for investors. Thanks to sustained efforts, Barbados has established itself as a fully compliant and committed jurisdiction, with a strong record of remaining off blacklists and consistently adhering to international standards. Barbados is an active member of the Organisation for Economic Co-operation and Development Global Forum on Transparency and Exchange of Information for Tax Purposes and the Inclusive Framework on Base Erosion and Profit Shifting.

Prime Minister Mia Mottley is a well-respected international leader whose voice is heard all around the world. She is also a world leader known to fight for justice and obtain access to capital for developing countries to address the challenges of poverty and climate change. By investing in Barbados, investors gain alignment with initiatives to support the energy transition, develop the blue economy and foster stronger ties between the North and the South.

A Thoughtful Implementation of the Global Minimum Tax

Rather than delaying, like many countries, Barbados adopted the 15% global minimum tax in 2024 for in-scope companies (those with revenues exceeding EUR 750 million). Yet, Barbados has approached this transition with strategic adjustments.

First, the country encourages innovation through a patent box at a particularly favourable 4.5% tax rate and a refundable research and development (R&D) credit of 50% of eligible expenditure.

Second, Barbados has introduced employment-based tax incentives, offering a job tax credit of up to 100% of payroll to companies that create jobs. As these R&D and payroll credits are authorised, they allow in-scope companies to reduce their effective tax rate below 15% under the Global Minimum Tax framework.

Additional incentives support investments in the blue and green economy. As an Ocean State and a leader in promoting climate financing for vulnerable countries, Barbados sends a clear message: If you come and have a positive impact on the world, you will get a fair reward and increase your environmental, social and governance profile.

Barbados: A Trusted Partner with Robust Infrastructure

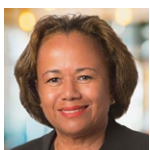
Barbados is recognised as a trusted international business centre that supports global growth and profitability. The country offers a transparent and well-regulated environment for investment, supported by one of the most reliable internet services globally. The University of the West Indies is renowned across the Caribbean, adding to Barbados' appeal as a competitive hub for investment.

Do not forget the teams: Barbados is a treat

At the time of global mobility, teleworking and other remote activities, Barbados stands out as an appealing destination for global professionals. Competitive taxes, easy access and enjoyable standard of living in a safe country combine to make Barbados a prime destination for substance!

In a post Global Minimum Tax environment, tax is not the determining factor anymore. Barbados has understood this shift and positioned itself as a hub for innovation and investment, thanks to modern infrastructure, political and legal certainty and well-calibrated incentives.

Ship Mortgage Financing under the Laws of Barbados



ROSALIND BYNOE

Partner and Head of Corporate – Barbados and the Eastern Caribbean
Dentons



HAYDN PERSAUD

Senior Associate
Dentons

The shipping industry is particularly vital to islands such as Barbados, as it allows our country to meet both domestic and tourism-related demand for goods. Its importance in our globalised world was underscored during the COVID-19 pandemic, culminating in supply chain disruptions that caused ripple effects throughout our economies.

The Shipping Act, CAP. 296 (the Act) regulates international ship registration, the ships' accompanying crew, and safety at sea, in relation to Barbados generally. The Act will be replaced by the new Merchant Shipping Act (the New Act), which was Gazetted as a Bill on October 7, 2024. We understand that the New Act will be administered by the Barbados Ships' Registry (the Registry), which is located in central London. Like other regulatory bodies focused on meeting the needs of international clients, the Registry aims to respond to queries within 24–48 hours. Responsiveness is particularly helpful where the parties to ship finance transactions are ordinarily located in different time zones around the world.

Modern ships, such as container tankers, can be worth millions of dollars. Consequently, these ship owners may utilise their valuable assets (the ships) as security in return for financial injections of capital via loans. In the context of a ship finance transaction, a ship mortgage is generally the most important security document. The purpose of a ship mortgage is to give the lending institution recourse to sell the ship to recover any outstanding amounts loaned, if an event of default under the relevant loan agreement occurs.

A ship mortgage is a form of fixed charge granted over a vessel to secure a debt. The applicable law of the jurisdiction in which the ship is registered, referred to as the ship's flag, will determine the type of ship mortgage to be utilised. Ships registered pursuant to the New Act are generally referred to as "Barbados" or "Barbadian" ships. Therefore, a Barbados ship mortgage (Mortgage) is appropriate as security over a Barbadian ship.

The Registry provides three (3) types of prescribed statutory form Mortgages:

- 1) securing an account current and other obligations for a body corporate

- 2) securing a principal sum and interest for a body corporate
- 3) securing a principal sum and interest for individuals or joint owners.

The popular practice is generally to utilise the form of Mortgage which secures an account current and other obligations. This can secure the principal and interest, in addition to other outstanding amounts, such as costs and expenses. The New Act provides that property in each Barbadian ship shall be divided into 64 shares.

It also states that a registered ship, or a share in such a ship, may be used as security for a Mortgage. The term "Mortgage" here includes any security for the repayment of a loan, or other valuable consideration, or the discharge of any other obligation. Where a Mortgage executed in prescribed form is submitted to the Principal Registrar, they shall register the Mortgage in the prescribed manner. The Mortgage must



comply with formalities within the New Act in order to be valid. In addition, details of the Mortgage shall be endorsed upon the certificate of registration of a ship subject to a valid Mortgage. A lender should ensure, where possible, that a ship Mortgage in their favour is registered before any other Mortgages in relation to that ship.

Registration of the Mortgage is critical to maintaining the lender's priority, in the event that the ship owner defaults on the loan and enforcement action is required. Generally, the first Mortgage registered in time will take priority over the second Mortgage registered over the same ship. A deed of covenant will often be provided as part of the security package in a ship finance transaction to supplement the Mortgage. The deed of covenant should be expressly referred to within the Mortgage but need not be registered or recorded by the Registry. The specific documentation prepared may vary dependent upon each transaction.

Barbados' ship and Mortgage registration framework is internationally recognised as a well-established solution that enables ship owners to access much needed capital within the global marketplace. The Registry is conveniently located in London, one of the foremost international financial centres, and is staffed by experts in their field.

This article refers to the version of the New Act, which was Gazetted as a Bill on October 7, 2024. Please note that the Parliament of Barbados has the right to further amend the New Act prior to its commencement.



DENTONS

Dentons

The Caribbean's Global Law Firm

Why Choose Dentons?

- **Global Reach:** More than 160 offices in over 80 countries.
- **Local Expertise:** In 12 Offices covering 14 jurisdictions.
- **Unmatched Regional Recognition:** 20+ rankings in the Caribbean.
- **Exclusive Presence:** The only global law firm, physically in the Caribbean offering the highest standards of client service.

Experience the Dentons Difference

We measure our success by our clients' success and challenge the status quo to serve you better. Our extensive experience and polycentric approach ensure your legal team is deeply immersed in your economy, culture, and environment.

Grow | Protect | Operate | Finance

dentons.com • +1 246 228 2260

© 2025 Dentons. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. Please see dentons.com for Legal Notices.

Dentons is ranked within the top 15 of Acritas 2020 Global Elite Law Firm Brand Index.

The Good, the Bad and the Ugly: **Global Debt Interest Rates and Inflation**



PAUL JENKINS

International Investment Advisor
Private Wealth Management & International Corporate Banking
CIBC Caribbean

As we lean into 2025, we see the global economy facing record levels of public and consumer debt, along with elevated levels of interest rates and persistent inflation. This environment presents significant challenges for central banks and policymakers as they strive to balance control over inflation while maintaining their growth objectives. Looking on from the sidelines, investors should proceed with caution and come to terms with an upcoming year of uncertainty.

In June 2022, inflation in the United States was up 9.1%, a 40-year high. During the same period, inflation in the European Union was 8.6%. Nations all over the globe were grappling with higher inflation.

In response, major central banks, including the US Federal Reserve and the European Central Bank, raised interest rates to slow economic expansion and harness inflation.

During September 2024, inflation seemed under control, and the US Federal Oversight Monetary Committee (FOMC) implemented two .25-basis point cuts during the last quarter of 2024.

Inflation and Economic Uncertainty

Entering 2025, we note the mounting pressure placed upon the US Federal Reserve to address persistent inflation while attempting to stimulate the economy. This juxtaposition of objectives has created uncertainty as the strategies of cooling inflation and growing the economy tend to combat one another.

Clearly the challenge before the FOMC will be striking the balance between economic activity and ensuring inflation does not reignite.

Global Debt

In the past 10 years, global debt has risen steadily. By 2023 global bond debt reached over US\$300 trillion. Public sector borrowing accounted for roughly one-third of this debt, as governments responded to the COVID-19 pandemic with fiscal policies.

Countries like Barbados and other developing countries, faced significantly different challenges. Higher borrowing costs with weaker revenue bases from tourism-based economies and less diversified income streams made these smaller countries more vulnerable to a global monetary system that was tightening with inflationary pressures.

Imperialism founded countries, that in the past benefited from lower interest rates, quantitative easing etc., now grappled with higher borrowing costs and tightening monetary conditions. These conditions have exposed what we now see as a fragile global debt market where a country's ability to service debt becomes concerning dependent on external financial conditions and/or assistance from global development entities and/or regional import export banks.

Global Debt, Interest Rates and Inflation

Interest rates, which represent the cost of borrowing, tend to be determined by central banks, inflation expectations and attitude or appetite of investors. Looking closely at 2025, central banks seem positioned to maintain current interest rates, as opposed to previously held notions of a path of reduction.

During 2021 and 2022, supply-chain disruptions, sharp increases in energy prices, geopolitical conflicts and pandemic related relief efforts drove global inflation to an all-time high. Bond prices, which move inversely to interest rates, saw a dramatic decrease in their values, creating unrealised

losses in institutional and individual investors' portfolios and making the attractiveness of fixed income securities dismal, as interest rate risk becomes more than a theoretical phenomenon.

Outlook for Inflation

According to the International Monetary Fund's World Economic Outlook, G-7 economies are projected to see inflation levels around 2%, yet emerging markets will likely experience higher inflation due to vulnerabilities associated with small states.

Geopolitical tensions in the Middle East and Russia have led to higher energy costs and along with climate related disruptions, are contributing to heightening inflationary pressures.

Managing Inflation

In 2024 many central banks signalled they would pause on further rate hikes, yet 2025 has brought a new resurgence in inflationary pressure.

Interest rates may stay elevated for longer to ensure inflationary pressures are managed in accordance with the FOMC's expected range of 2% over the longer term.

The US 10-year Treasury Bond reached its highest level in 14 months after a robust jobs report gave the FOMC reason to delay the much-expected interest rate cut(s) forecast by many analysts. In addition to this, the possibility of an interest rate rise now appears to be on the table, as policymakers opine on the inflation/interest-rate paradigm.

Positioning Fixed Income Portfolios

As uncertainty reigns, many experienced investors are keeping the tenure of their high-quality debt short in nature. With higher interest rates come higher yields on US Treasury Bills and other sovereign backed debt.

Duration, a measurement of how sensitive a bond's price is to interest rate changes, should be kept low in portfolios. This means that, rather than longer term debt, investors should consider six to 12-month high quality debt, such as US Treasuries, and continue to 'roll' for another short period of time once the security has matured. This strategy will reduce the interest rate risk and maintain a respectable return.

In times of uncertainty, less is more.

CASE STUDY



KM² Solutions (KM²), an award-winning business process outsourcer with over two decades of experience, operates an exclusively nearshore strategy throughout the Caribbean and Latin America. KM² provides outsourced inbound and outbound customer service and contact services for voice, chat, email and mobile to clients in the financial services, multi-unit healthcare, insurance services, travel and hospitality, eCommerce, technology and telecommunications, home services and other sectors.

The company provides clients with a host of solutions, including customer care, first-party collections, telesales and retention, claims management and processing, appointment setting and schedule management, loan origination and verifications, back-office processing and technical support. KM² maintains Payment Card Industry Data Security Standard compliance, completes an annual Systems and Organisation Controls 2 audit and has a Compliance Management System that aligns with Federal Deposit Insurance Corporation requirements.

Barbados was a clear choice for a second Caribbean location, with a well-educated, populous workforce, economic and political stability, robust infrastructure, proximity to the US, ease of travel and an idyllic location appealing to our clients.

As a top tourist destination, Barbados' workforce is service-oriented. Its exposure to North American customers perfectly suits our business model of providing high-quality outsourcing solutions to our US clients. Additionally, a range of education options provides the technical support skills we require.

The people, culture and stability in Barbados all contribute to a positive business experience and it is not hard to convince clients to conduct business here.

Since 2007, the KM² Barbados operations have grown, and we service many of our flagship Fortune 100 clients. The company currently occupies two buildings and plans to expand further, develop our people, and continue our mission to turn jobs into meaningful careers.

Attracting Investment: Cricket Beyond the Boundaries



TAAHIR BULBULIA

Consultant - Special Projects
Invest Barbados

For decades cricket has been a major contributor to the Barbadian economy, society and culture. Barbados has produced many of the world's greats and boasts of having churned out the most West Indies test cricketers among the countries in the region. Legends like National Hero The Right Excellent Sir Garfield Sobers, The Most Honourable Dr. Desmond Haynes, Sir Gordon Greenidge, Malcolm Marshall and Sir Wes Hall, to mention a few, are products of Barbados. Over the last 20 years, cricket has developed into a global revenue generating powerhouse. Beyond the boundary, some wealthy individuals and businesses have invested heavily into the sport, attaining massive returns on investment through cricket.

Cricket globalisation is at an all-time high with franchise T20 leagues being played across the world and taking over from the traditional test and one day cricket. According to Forbes, leagues like the Indian Premier League has a value of US\$1.3 billion while the regional Caribbean Premier League ranks as the 2nd most viewed cricket league in the world with a viewership of 853.5 million and a total media value of US\$24.34 million. Beyond the boundary, the Royals franchise has emerged as one of the leading franchises globally with its base in Rajasthan, India; and teams in South Africa (Paarl Royals) and Barbados (The Barbados Royals).

The Royals Sports Group, managed by British Indian businessman Manoj Bandale, is one of the trailblazers in the cricket transformation space that brought innovation to the sport at a time when cricket innovation and globalisation were foreign concepts to many. The Royals Sports Group has brought a very innovative model to the business of cricket, attracting several high-profile investors and venture capitalists to the franchise. The Royals Sports Group invested in the Barbados Royals (formerly Barbados Tridents) in July 2021 and has invested millions in the Barbadian economy whilst providing hundreds of jobs for Barbadians.

The Royals has sought to establish themselves into the Barbadian community, forging partnerships with major stakeholders such as the Barbados Tourism Marketing Inc, Banks Breweries and Barbados Lottery to name a few. They have also launched internship programmes for students to be a part of the franchise, gaining opportunities in marketing,

social media activations and fan engagement. In 2024, the Royals Sports Group made a major step in developing women's cricket in the region, launching the Barbados Royals Girls Cricket Club, which provides free training for girls between the ages of 4-18. This engagement with the local community is a symbiotic strategy of the Royals where they seek to establish themselves in all countries with which they engage. With academies in Australia, England, India, New Zealand and the UAE, Barbados is the next best stop for players, visitors and businesses to explore through the sport of cricket.

In mid-2024, Invest Barbados partnered with the Royals Sports Group and part sponsored the Barbados Royals with the vision of showcasing Barbados' value proposition, globally. Through this partnership, Invest Barbados will have access to the strategic partners of the Royals Sports Group, as well as a unique platform from which to market the exciting investment opportunities Barbados offers.

Already, plans are on stream for Invest Barbados to host investment forums in India, the UAE and England to build awareness about the Barbados business brand and to attract investors to Barbados.

Further beyond the boundary, diplomatically, this partnership also deepens the relationship between Barbados and India, which have been allies since Barbados gained Independence in 1966. Most recently, during the height of the COVID-19 pandemic, the Indian Government gifted Barbados 100,000 Astra Zeneca vaccines. Back in the 70's the Indian community gifted the Cabinet of Barbados the Speaker's Chair which is still used today.

In a world grappling with uncertainty, turmoil and supply chain issues, cricket has become a playground for trade, diplomacy and business; cricket has emerged as a uniting factor for many and is often touted as a religion in India. Cricket mixed with business and development can only bring benefit to all. Barbados continues to punch above its weight, and in so doing persists in exploring innovative ways that will grow our economy and enfranchise our people. The time is ripe to fully explore and capitalise on the investment opportunities beyond the boundaries for continuing innovation, success and economic growth.



THE UNIVERSITY
OF THE
WEST INDIES
CAVE HILL CAMPUS



Sagicor
CAVE HILL SCHOOL OF BUSINESS
AND MANAGEMENT
THE UNIVERSITY OF THE WEST INDIES

Developing Future-Ready Leaders
who will Help Organisations Thrive
and Deliver a **Sustainable &
Resilient Future.**



Executive Education
& Professional Development



Customised
Training Solutions



Academic
Programmes

Postgraduate
Undergraduate



Consultancy
& Applied Research

SCH | WHERE LEADERS
SBM | CONVENE



The Sagicor Cave Hill School of Business and
Management, The University of the West Indies
Cave Hill Campus Barbados, W. I .

T (246) 424 - 7731 **F** 425-1670 **E** chsb@cavehill.uwi.edu



www.cavehill.uwi.edu/schsbm

The AI Wave: Embracing Change at the Speed of Thought



TERRY SCANTLEBURY
Group ICT & Business Solutions Manager
Goddard Enterprises Limited

What is AI and Generative AI

Artificial Intelligence (AI) refers to the ability of machines or computer systems to perform tasks that typically require human intelligence, such as learning from experience, recognising patterns, understanding language, making decisions and solving problems. AI enables machines to "think" and "learn" from data, allowing them to improve over time and perform tasks more efficiently.

Generative AI, like ChatGPT, is a specific type of AI that goes a step further by creating new content. This could include generating text, images, music or even programming code based on patterns it has learned from existing data. While traditional AI focuses on analysing and responding to data, generative AI creates entirely new, original content, offering new possibilities in fields like art, writing, design and innovation. In simple terms, AI helps machines act smart, like humans, by making decisions based on data, while generative AI enables them to create something new from scratch.

AI and Generative AI are seeing exponential growth, transforming the landscape of business and the wider society as we know it. These technologies represent even faster change with new options being released regularly and new features remaining unique for shorter periods of time. This is an unprecedented speed of technology change. How Barbados and Barbadians choose to react will determine if we successfully ride the new tidal wave of change or are swept under in the flood.

Historical precedence that informs

AI has been compared to electricity and is a general-purpose technology on which entirely new economies and ways of living will be built. The creators of electricity could not have imagined the world we live in today, and we face comparable unknowns with the future of AI. We face a tsunami of change. We do not have a crystal ball, but technology history informs on the importance of being ready to quickly take advantage of the inevitable changes that AI and Generative AI will usher in.

Today we take it for granted that Microsoft is an internet company with significant cloud offerings, including AI tools such as CoPilot, but this may not have been. Microsoft, which in 1995 was large enough to face antitrust legislation, and the possibility of being broken up into two smaller companies, was seen as the most powerful tech company around. At the very same time, Bill Gates recognised the possibility of Microsoft becoming irrelevant in the face of the then adolescent internet. The internet did not know that Microsoft existed. Microsoft reacted, Bill Gates wrote the now famous "The Internet Tidal Wave" document and Microsoft pivoted and remained relevant.

Contrast this to Xerox Corporation, a company whose name defined a segment, and where "to xerox" can be compared with "to google" as verbs that were spawned by segment leaders. What is not widely known is that Xerox invented or contributed to the Mouse, the Graphical User Interface (like Windows), the PC (desktop computing), Ethernet (the dominant physical network on the planet) and Object-Oriented Programming Languages (on which most modern software programming is built). Yet Xerox is not a household name in these technology segments.

The message here is that in the face of inevitable rapid change, the choices that we make, and that we must make quickly, matter. Today, these choices are coming at us at the speed of thought.

Riding the wave

Just as the internet/browser has drastically lowered the cost of information transmission, AI and Generative AI will lower the cost of cognition. Similar to the marginal cost of spending one more hour on the phone (transmission), creating one more AI generated music video will cost virtually nothing. We will conceive a thing, and using our own personal Einstein, at the speed of thought, create the thing. In this new era of content creation, individuals and students have embraced AI and Generative AI at a faster pace than corporations and institutions.

For one and all, education, awareness building, training, experimentation and exposure to the art of the possible will be essential to ensure that we are ready to survive and thrive in the age of AI. Fortunately, in Barbados we are seeing initiatives from Government, individuals and corporations to do just that.

AI both threatens and offers huge opportunities for knowledge workers. For most of us, the race started in early 2023 when Open AI released ChatGPT. These are early days and for those with the vision and willingness to take the risk, this is a blue ocean opportunity.

One such bold initiative spawned right here on our shores is The Blue Bot Project. Still in its infancy, this venture uses AI technology as a core competency, combining computer vision with underwater drones to see and recognise fish and sea urchins in the waters around Barbados. While still a work in progress, this can have significant implications for coral reef monitoring or virtual and physical tourism. This is just one example of the unlimited things that can be conceived and created. More traditionally, there has been a major uptick in the number of companies offering awareness building seminars, training and services to develop AI solutions.

Leveraging AI

As businesses look to the future, AI and Generative AI offer unprecedented opportunities for growth and innovation. By integrating these technologies, companies can enhance their operations, reduce costs and unlock new avenues for creativity. Whether through automating routine tasks, optimising customer interactions or creating personalised experiences, AI will allow businesses to stay ahead in an increasingly competitive landscape. In particular, Generative AI opens the door to limitless possibilities in content creation, enabling businesses to produce high-quality, customised content at a fraction of the cost and time traditionally required. From marketing to product development, AI can streamline workflows, improve decision-making and ultimately lead to more agile and efficient organisations.

However, the key to success will be how quickly and effectively businesses adapt to this rapid technological shift. Those who invest in AI education, build awareness and experiment with new use cases will be better positioned to capitalise on the opportunities ahead. In a world where technology is evolving at the speed of thought, embracing AI is not just a competitive advantage, it is a necessity for survival. Companies that prioritise AI will not only keep pace with change but also drive the next wave of innovation, ensuring their relevance in an AI-driven future. As Barbados continues to foster a climate of AI adoption, the time for businesses to take action is now—because the wave of change is already here.

CASE STUDY

PARACHUTE FILM STUDIOS

Parachute Film Studios is revolutionising the Eastern Caribbean's creative sector by combining innovation, sustainability and local talent development, establishing the island as a premier media hub and creating opportunities for world-class productions. The cornerstone of Parachute's ambitious vision – Studio 1, a 1,380 sq ft acoustically treated, multi-use facility and the only space of its kind in the Eastern Caribbean – serves as a cutting-edge platform for filmmakers, content creators and production teams.

Studio 1 is already hosting music videos, commercials, films and live-streaming events, setting new benchmarks for Caribbean-based productions including Rihanna's super bowl short film, "Run this Town" for Apple Music and HBO's multi-E Emmy winning show: "Succession". Parachute Film Studios integrates sustainability into every aspect of its operations. Initiatives include energy-efficient lighting and minimising the need for international travel by hiring local and regional crews. These efforts reflect a deep commitment to reducing environmental impact while delivering top-tier productions.

Barbados offers the following advantages:

- **Streamlined Processes:** Efficient systems for business setup and operations
- **Pro-Business Policies:** Tax incentives and support tailored to creative industries via the soon to be established film unit
- **Strong Infrastructure:** Reliable telecoms and logistics for seamless collaborations.
- **Supportive Environment:** Agencies like Invest Barbados offer guidance and resources.

With original content productions in the works, a film and tv series under "Parachute originals" and plans to expand into a larger media hub by 2029, Parachute is building a scalable foundation for the future. The next phase will feature additional sound stages, workshops and offices, positioning Barbados as the go-to destination for global productions and solidifying the region's role in the creative economy.

Towards a Barbados Film Industry



SIR TREVOR CARMICHAEL, K. C.
Chairman
Chancery Chambers

The Barbados Independent Film Festival (BIFF) celebrates its ninth year in 2025. Every year, BIFF amplifies Barbadian and Caribbean voices while creating a space for stories from around the world to be heard. With films originating from the UK, USA, Morocco, South Korea, Scandinavia and Kenya, to name a few, BIFF has firmly established Barbados as a place that welcomes and celebrates filmmakers.

BIFF has always encapsulated much more than movies; it chronicles a social commitment to environmental responsibility in its capacity, as a green festival, prioritising sustainability and working hard to leave as light a footprint as is possible. Through partnerships with eco-conscious organisations such as Slow Food, Walkers Reserve, Parachute Film Studios and other friends of the Festival, these partners together ensure that BIFF stays green, sustainable and socially responsible, setting a powerful example for festivals everywhere.

The global influence of BIFF has a profound impact on Barbados' local film community. Each year, when filmmakers from across the world arrive in Barbados, they bring new ideas, fresh insights and a spirit of collaboration. This year, BIFF intensified the cultural exchange with two new events: an African Night that showcased films from the African continent and a Global Student Screening where Barbadian students watched and voted on their favourite international student short films. These events create invaluable opportunities for young, local creatives to connect with global perspectives and celebrate talent from every corner of the world.

The Festival is also an incubator for professional development, networking and collaboration. BIFF offers Barbadian filmmakers a platform to showcase their work, connect with international industry figures and gain global exposure.

Nevertheless, Barbados faces some uncomfortable truths in the attraction of the global film industry which BIFF seeks to attract and support. For example, Barbados' population of 265,332 competes with the UK's film population system. The UK's annual film and television production spending of approximately US\$8 billion is 160% of Barbados' total Gross Domestic Product (GDP) of US\$5 billion. Essentially, therefore the UK spends significantly more on film and TV production in a year than

the entire GDP of Barbados. Simply put, the UK's production spending alone is 1.6 times the entire economy of Barbados.

Yet, there are ways and means to narrow this competitive gap. Barbados may create a film incentive programme which is unique to its circumstances. By developing a bespoke rebate structure tailored to its specific needs, the new republic of Barbados may offer incentives which are more competitive, more flexible and truly impactful for both local and international filmmakers. Some recent notable examples are Netflix's "Outer Banks" and HBO's "Succession". Such a custom approach housed within the soon to be created Film Unit in Invest Barbados, would unlock the true potential of the Barbadian film sector and make Barbados the successful film production destination to which many currently aspire.

Co-production treaties are yet another critical piece of the puzzle. Agreements with countries such as the United Kingdom and Canada would enable Barbadian filmmakers to access larger markets and resources, giving their stories a wider reach. And for small island states, regional collaboration is the key. A unified Caribbean film framework which leverages shared resources and collective talent to create a serious competitive advantage would make the Caribbean a formidable force in the film industry.

There are currently early-stage discussions with regards to a CARICOM co-production treaty, a promising idea that could open new doors for Caribbean filmmaking. This regional collaboration would be especially beneficial for large-scale projects, making it easier for productions which span multiple islands to operate seamlessly within the region. By streamlining processes and unifying resources, a CARICOM treaty could transform the Caribbean into an attractive and accessible destination for ambitious international projects. For large productions filming across multiple islands, this approach would simplify logistics, reduce costs and create a one-stop shop for filmmakers, enhancing the Caribbean's competitive edge as a film industry powerhouse.

EPILOGUE

As Barbados develops its film industry, the potential for cultural and economic transformation is boundless. With smart investments, strategic partnerships and a vision for a supportive infrastructure, the film sector is the next significant engine of growth and opportunity. BIFF is assisting in leading the way, proving that Barbados has obvious and significant possibilities to offer—not merely to filmmakers, but to the entire island and beyond.



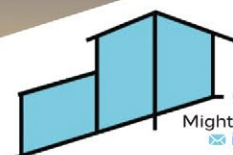
MODERN COMMERCIAL SPACES



▼
FOR RENT!
▲

FROM **785** SQ.FT. TO **2664** SQ. FT.

These spaces can be reconfigured to suit your needs. They offer natural light, commercial grade carpet tiles, emergency generator, back-up water system, hurricane shutter windows, elevator access and wheelchair access. In addition, there is easy on-site parking for 16 cars per floor.



CRYSTALLINE HUB



Mighty Grynner Highway, St. Michael Barbados
info@cacs.com.bb | 246-435-2827/6

Barbados

A Welcoming Investment Climate

Considering expansion to a safe and thriving domicile?

Consider Barbados!

Lifestyle

The lifestyle your heart desires...

Business

...with everything your business needs.

One of the highest-ranked developing countries on the UN's Human Development Index, Barbados has:

- ✓ an excellent quality of life
- ✓ a longstanding record of political, social and economic stability
- ✓ healthcare that's amongst the best in the Caribbean
- ✓ an excellent education system
- ✓ direct connections to major international cities
- ✓ world-class telecommunications
- ✓ other reliable utilities island-wide
- ✓ an expanding treaty network
- ✓ no capital gains, wealth or inheritance tax

Contact us to explore the opportunities!



Key Investment Opportunities

- Financial and Insurance Services
- Niche Manufacturing
- ICT
- Global Education
- Film
- Renewable Energy
- Fintech
- Medical Tourism
- Research & Development
- Life Sciences/Bio Pharma
- Special Residency Programme

Trident Insurance Financial Centre
Hastings, Christ Church
Barbados, BB15156
E-mail: info@investbarbados.org
Website: www.investbarbados.org

Barbados: 1-246-626-2000
Canada: 1-647-977-5996
The USA: 1-347-433-8942
The UK: 011-44-203-318-9036

[investbarbados](#)
 [investbarbados](#)
 [invest-barbados](#)
 [BarbadosInvest](#)
 [investbarbados](#)

INVEST
BARBADOS