

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

Welcome to the Dougherty Quinn Newsletter - Winter 2013

We aim to keep you up to date with the latest legal and business developments in the Isle of Man and other leading offshore jurisdictions. We also bring you the latest DQ team news. To keep fully up to date, follow DQ on [Twitter](#). In this packed Christmas issue, you can read all about:

- **Isle of Man gets top rating by OECD**
- **Aviation updates:**
 - **Positive signs from NBAA 2013**
 - **Don't lie when selling a jet, even to Gaddafi!**
 - **Busy 5 months for DQ's specialist aviation team**
- **Takeover Code extended to more Isle of Man companies**
- **Isle of Man signs FATCA style tax agreement with UK**
- **DQ nominated for Isle of Man "Law Firm of the Year"**
- **Isle of Man signs tax co-operation agreements with Italy and Lesotho**
- **Dispute Resolution updates:**
 - **Supreme Court decision clarifies important insolvency issues**
 - **Court of Appeal ruling on foreign insolvency assistance**
- **Offshore Trust law updates:**
 - **Disclosure of information by Trustees – Offshore Courts' approach**
 - **The next step in the life of Hastings-Bass**
 - **Applications for directions by the council of a foundation**
- **DQ Trainee receives commendation**
- **Trainee Advocate opportunities at DQ**
- **DQ continuing to rise up the rankings**

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

Merry Christmas from all the team at DQ.

Tom Maher

Managing Director

Dougherty Quinn

DQ Team News



DQ nominated for Isle of Man “Law Firm of the Year”

DQ is delighted to report that it has been nominated by Citywealth for Isle of Man Law Firm of the Year. Now in their third year, the Citywealth International Financial Centre Awards were established to highlight the excellence of the advisors and managers in the private wealth sector in the major international financial centres. In what has been a period of extreme turbulence for clients, this is when quality advice is at a premium. It is when the best of the best really stand out.

These Awards will be judged by an international panel of highly respected practitioners from all sectors with experience of working with advisors in all the jurisdictions covered. The winners will be those judged to have excelled in achievement, innovation, expertise and service.

To read more, click [here](#).



DQ announces trainee positions

DQ continues its expansion with the announcement that it is looking to recruit two trainee advocates to start training contracts in September 2014. [Read more.](#)

DQ continues to rise up the rankings

The two major independent law directories, Legal 500 and Chambers and Partners have recently published new editions of their directories of leading lawyers.



Legal 500 was published in September 2013 and DQ once again improved its rankings. In this new edition, ten of DQ's lawyers were recommended in areas such as banking & finance, dispute resolution, commercial, commercial property, employment, insurance & pensions, investment funds & capital markets and private client & trusts. [Read more.](#)



Chambers published the UK edition of their guide (which includes the Isle of Man) in October 2013 and DQ showed its continued strength in the legal market with a strong showing in both areas listed – dispute resolution and corporate and finance. Most notably, DQ now has more top tier Band 1 corporate and finance lawyers than any other firm on the Isle of Man. [Read more.](#)



DQ trainee receives commendation

DQ trainee Adam Killip has received a personal commendation from the Manx Bar examiners for his distinguished results during the May 2013 exams. [Read more.](#)

Isle of Man Tax News

Isle of Man gets top rating by OECD

The Isle of Man has been awarded the top "Compliant" rating by the global body reviewing tax transparency around the world.

The OECD (Organisation for Economic Co-operation and Development) Global Forum on Transparency and Exchange of Information for Tax Purposes published its ratings on 22 November 2013 for the 50 countries reviewed to date and the Island is one of only 18 to be awarded the top rating. [Read more.](#)

Isle of Man signs tax co-operation agreements with Switzerland, Italy and Lesotho.

As part of the Isle of Man Government's ongoing programme of signing Double Taxation Agreements and Tax Information Exchange Agreements (TIEAs), Treasury Minister Eddie Teare MHK signed TIEAs with Italy and Lesotho on 16 September 2013 in London. [Read more.](#) In August 2013, the Isle of Man also signed a TIEA with Switzerland. [Read more.](#)

Isle of Man signs Tax Agreement with UK

In October 2013, the Isle of Man became the first British dependency to sign an agreement with the UK on automatic sharing of tax information. The signing of a tax information-sharing agreement with the Isle of Man is a "momentous step forward in tax transparency" according to UK Chancellor George Osborne. "The Isle of Man should be recognised as the first jurisdiction to sign an agreement of this kind with the UK." [Read more.](#)

Aviation News

Busy 5 months for DQ's aviation team

The Isle of Man Aircraft Registry continues to go from strength to strength with over 620 aircraft registered on the M-Register to date.

DQ's specialist aviation lawyers, Stephen Dougherty and Tom Maher, have been very active in the market. In the last 5 months alone, DQ has been involved in a number of transactions (acting for sellers, purchasers, financiers and fiduciaries) on a range of different aircraft such as the Eurocopter EC155, a number of Gulfstream G450s, G550s and G650s, an Embraer Legacy 650 and a Bombardier Global 6000. The total value of the various aircraft transactions that DQ has advised on in the last 5 months is over \$275 million. [Read more.](#)

Positive signs from NBAA 2013

Las Vegas was the destination for this year's National Business Aviation Association ("NBAA") conference. There were a number of highlights at the conference, including the launch of Dassault's Falcon 5X; Kenny Dichter (who created Marquis Jet) launching his new membership based private aviation company, Wheels Up; Beechcraft announcing a 47% increase in its aircraft delivery in the first 9 months of 2013 and Bombardier announcing that it has received an order from Flexjet for an additional 30 of its Learjet 85 business jets. [Read more.](#)

Don't lie when selling a jet, even to Gaddafi!

In July 2013, Mr Justice Peter Smith, an English judge, found himself telling His Royal Highness Prince Al-Waleed Bin Talal Bin Abdul Aziz Al-Saud – one of the world's richest men – that it is not OK to lie when selling an aircraft; even when the buyer was Colonel Gaddafi! [Read more.](#)

Corporate and Commercial Update

Takeover Code extended to more Isle of Man companies

Important amendments to the City Code on Takeovers and Mergers (the "Code") came into effect on 30 September 2013, which will affect a number of Isle of Man public listed companies. From 1 October 2013, the

Regulated Market Test was expanded to include any companies whose shares are listed on a “multilateral trading facility” in the UK, which generally speaking captures almost any UK stock exchange, including AIM and ISDX. As a result of this change, any Isle of Man companies listed on these markets which otherwise escaped the jurisdiction of the Code through the management and control exemption, will now be subject to the Code. [Read more.](#)

Dispute Resolution Update

[Supreme Court decision clarifies important insolvency issues](#)

In May 2013, the Supreme Court handed down judgment in the case of *BNY Corporate Trustee Services Limited and others v Eurosail-UK 2007-3BL PLC*. This is an important case for insolvency practitioners and company directors because of its discussion of when a company will be deemed unable to pay its debts. Despite the differences in wording between the applicable English and Manx legislation, the case is likely to be followed by the Isle of Man Courts if the point arises for determination here. [Read more.](#)

[Court of Appeal ruling on foreign insolvency assistance](#)

In the recent case of *HSBC Bank plc v Tambrook Jersey Limited* [2013] EWCA Civ 576, the English Court of Appeal issued guidance in respect of when an English Court will assist a foreign Court in insolvency matters. The judgment handed down at the end of May 2013 is of particular interest on the Isle of Man in light of the developing local jurisprudence in this area of law. [Read more.](#)

Trust and Private Client Updates

[Disclosure of Information by Trustees – Offshore Courts’ Approach](#)

A fundamental concept to any trust is an irreducible core of obligations owed by the trustees to the beneficiaries. In order to enforce these obligations, beneficiaries require a certain amount of information from the trustees. The offshore Courts continue to follow the *Schmidt v Rosewood Trust Limited* [2003] UKPC 26 approach in exercising their inherent supervisory jurisdiction over the disclosure of information. In two recent cases before the Royal Court in Jersey and the Supreme Court of Bermuda, the trustees in each case were ordered to disclose information to beneficiaries. [Read more.](#)

[The next step in the life of Hastings-Bass](#)

The codification of the rule in Hastings-Bass and the principles in relation to mistake has just taken effect in Jersey.

The changes will have retrospective effect and will provide certainty to settlors, trustees, other fiduciaries and beneficiaries of Jersey trusts, particularly in the wake of the English Supreme Court decision in *Pitt v Holt and Futter v Futter* [2013] UKSC 26. [Read more.](#)

[Applications for directions by the council of a foundation](#)

A recent judgment of the Royal Court of Jersey (*In the Matter of the Representation of A Limited and in the Matter of the F Foundation* [2013] JRC 075) has provided some useful guidance as to the general principles which apply to foundations and clear direction on the approach the Court will take to the exercise of its supervisory powers. In this case, the council members sought a direction that it would be appropriate for the foundation to take a neutral stance in relation to proceedings in the Jersey Court to which they had been made a party.

Similar principles can be applied to Isle of Man foundations. Part 5 of the Foundations Act 2011 is intended to install the Court with a supervisory jurisdiction over Isle of Man foundations. This part of the legislation is on identical terms to the Jersey equivalent. [Read more.](#)

DQ Library & News



[Click here](#) to read DQ's latest firm brochure. For information on the Isle of Man Space & Satellite Business, Tax Investigations in the Isle of Man and much more, please [visit our online Library here](#).

To read more news, please visit DQ's [online news section here](#).

Dougherty Quinn, The Chambers, 5 Mount Pleasant, Douglas, Isle of Man, IM1 2PU

Tel: +441624 626999 Fax: +441624 626111 Email: mail@dq.im

www.dq.im

Dougherty Quinn Limited is an incorporated legal practice in the Isle of Man with company number 11 9175C. Registered Office: The Chambers, 5 Mount Pleasant, Douglas, Isle of Man, IM1 2PU. Directors: Tom Maher, Walter Wannenburg, Mark Dougherty, Giles Hill, Annemarie Hughes, Paul Kerruish.

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

Chambers Global