

From: "jeffrey E." <jeevacation@gmail.com>

To: "Governor Kenneth E. Mapp" <[REDACTED]>

Subject: Fwd: VI Financial Services Legislation

Date: Fri, 18 Nov 2016 15:17:27 +0000

Attachments: vi_financial_services_improvement_act_ver_10.docx; governors_cover_letter_ver3.docx;
governors_cover_letter_ver1-governors_cover_letter_ver3.doc;
vi_financial_services_improvement_act_ver_9-
vi_financial_services_improvement_act_ver_10.doc;
vi_financial_services_improvement_act_ver_10.pdf

----- Forwarded message -----

From: **William Blum** <[REDACTED]>

Date: Thu, Nov 17, 2016 at 6:08 PM

Subject: RE: VI Financial Services Legislation

To: "[REDACTED]" <[REDACTED]>, "Hiebert, Peter N." <[REDACTED]>, "jeffrey E. (jeevacation@gmail.com)" <jeevacation@gmail.com>

Cc: Erika Kellerhals <[REDACTED]>, Greg Ferguson <[REDACTED]>, Robert Ladislav <[REDACTED]>, "Robert A. Solomon" <[REDACTED]>, "Eaton, Geoffrey P. ([REDACTED])" <[REDACTED]>

Dear Jeff, Barry, and Peter –

Attached please find version 10 of the legislation (in both Word and pdf format). This version incorporates all of the Winston & Strawn comments that Peter, Barry, and Geoff Eaton and I discussed on the phone last week and those that were subsequently provided to me in writing by Geoff. The only major substantive deletion from the prior draft is the section on Net Investment Income Tax (which has been deleted in its entirety as unneeded) and the only major substantive addition is the provision on Series LLCs (which is based on the Delaware law on this subject). Also attached is a red line against version 9 which reflects these changes as well as some other more minor corrections that have been made.

Also attached is a revised version of the Governor's cover letter (version 3) and a redline comparing it to the prior circulated version (version 1). Due to the changes in the bill, and per our discussions, there were quite a number of changes in this document.

Please review these two documents and provide me with any final comments. In my view, there should be no need for any further changes in the legislation itself prior to passing it along to the Governor for any comments he or his counsel may have. The bill should now be ready for transmittal to the Legislature. Further changes to the cover letter might be in order, of course.

Once we have dealt with any final comments, we should probably schedule a call to discuss the timing of the transmittal and legislative consideration of the bill and whether and when a legislative hearing is anticipated,

etc. As I have indicated previously, if there is a need or desire to discuss this legislation directly with the Governor, or for my testimony to the Legislature (not so much as the draftsman, but as an “expert” on USVI financial services and financial services legislation), I shall of course make myself available.

Yours,

Bill

William Blum | Partner

SOLOMON BLUM HEYMANN LLP

[REDACTED]

[REDACTED]
Email [REDACTED]

From: William Blum

Sent: Thursday, November 03, 2016 3:28 PM

To: [REDACTED]; 'Hiebert, Peter N.'

Cc: jeffrey E. (jeevacation@gmail.com); Erika Kellerhals; Greg Ferguson; Robert Ladislaw; Robert A. Solomon

Subject: VI Financial Services Legislation

Dear Peter and Barry –

Attached please find a further draft of the entire bill, which I am proposing to call the “Virgin Islands Financial Services Improvement Act of 2017.” The primary differences from earlier drafts are: (1) the revised version of section 1423 (on page 45) regarding taxation of statutory trusts, incorporating the revised draft I circulated after our discussions of October 4; (2) new provisions at section 15(b) of the bill (starting at page 283) that would provide for special tax benefits for companies taking advantage of the “repatriation” structure that we also discussed last month and about which we had sent you our memo (additional copy attached); and (3) general changes to the explanation section of the bill.

There are a few provisions identified in this draft (mostly in section 1423 and the repatriation provisions), which are bracketed and highlighted in yellow, which will require some further attention and decisions. Other than those, and whatever other changes that we might decide require immediate attention, I believe that bill is now ready for review by Governor Mapp, after which it can be finalized and sent to the Legislature. In that regard, at Jeff’s suggestion, I have also prepared a draft transmittal letter for the Governor to consider using when sending the bill to the Legislature.

May we schedule a call soon to discuss any substantive issues as well as plans for moving this bill ahead? My schedule is flexible next week.

EFTA01061030

Yours,

Bill Blum

William Blum | Partner

SOLOMON BLUM HEYMANN LLP

[REDACTED]



Email

[REDACTED]

From: William Blum

Sent: Wednesday, October 05, 2016 10:27 AM

To: [REDACTED]; 'Hiebert, Peter N.'

Cc: Robert Ladislav

Subject: Revised section 1423

Dear Barry and Peter –

Attached is a revised version of section 1423 of the proposed legislation which sets forth the proposed tax exemption scheme for VI statutory trusts. It is designed to reflect our discussion of yesterday.

If you have any comments, please let me know at your earliest convenience.

Bill

William Blum | Partner

SOLOMON BLUM HEYMANN LLP

[REDACTED]



Email

[REDACTED]

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please note

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