

Beacon Business

From cruising to competition

BVI FINANCE

BVI Finance, the government-sponsored organisation that promotes the financial services sector, announced last Thursday that it has finalised its transition from a government entity to a public-private partnership. The agency will still receive the majority of its funding from government, but it will now take contributions from private-sector members too. BVI Finance's board of directors will be elected at the corporation's first annual general meeting next Thursday. Officials have touted the privatisation of BVI Finance as a way to give it a more responsive and independent voice apart from government. "The move is intended to create a driving force for the future growth, development and promotion of the financial services industry," Premier Dr. Orlando Smith said.

CONFERENCE

Business BVI will host its annual Business Outlook conference on Wednesday at Scrub Island Resort & Marina. Themed "Re-imagine the BVI Economy," the discussions will focus on the territory's future in "an era of Brexit and Trump." Topics include global economic trends, challenges and opportunities for local businesses in the Virgin Islands, growing the superyacht sector, and attracting medical tourism. The keynote speaker is scheduled to be Premier Dr. Orlando Smith, and other speakers include Cato Institute economist Dr. Dan Mitchell, Bank of Asia CEO Carson Wen, and *Business BVI* Managing Editor Russell Harrigan, who is also the majority owner and publisher of the *Beacon*.

Offshore Sailing holds its first racing course in VI

By **KEN SILVA**

ksilva@bvibeacon.com

Four Colgate 26 sailboats sped along the coast of Scrub Island on Dec. 8, battling to see which would cross the finish line first.

"It looks like Boat Seven is going to take it," said an onlooker from the committee boat.

Sure enough, a blast from the committee boat's air horn signalled that Boat Seven was the winner of the "regatta's" final race.

But the crew wouldn't take home prize money or giant trophies offered in other regattas. They would, however, get bragging rights over their fellow participants in Steve and Doris Colgate's Offshore Sailing School's racing course held last month at Scrub Island.

Offshore Sailing has been teaching sailing and cruising in the Virgin Islands for decades, but last month was the company's first ever racing school here, said company president Doris Colgate.

The racing course is for people



Photo: **KEN SILVA**

Two Colgate 26 sailboats race during the Offshore Sailing School's "regatta day" on Dec. 8.

who already know the basics of sailing but want to take their skills to the next level, Ms. Colgate said.

"In a racing course, we assume they already know how to manoeuvre a boat," she said. "But

now you're going to learn the nuances of how to go really fast and what the rules are."

Some of the students had actually raced before and were sharpening their skills, while

others were rank amateurs, Ms. Colgate said, adding that the students were grouped by skill level so instructors could teach them accordingly.

Sailing see page 19

Bill would allow secret FSC penalties

Agency now required to publish info

By **KEN SILVA**

ksilva@bvibeacon.com

The Financial Services Commission currently is required to publicise the penalties it levies against firms conducting unlawful activity, but a proposed amendment introduced in the House of Assembly last month would change that.

According to a draft published in government's *Gazette* on Dec. 22, the amendment would give the FSC discretion on whether it should publish its enforcement actions against trust firms, banks and other entities it catches en-

gaging in wrongdoing.

"Where the commission considers in any particular case in which enforcement action is taken that the nature of the breach or offence giving rise to the enforcement action ... is of such a nature as not to warrant publication of the name of a licensee or other person, it may ... not publish the name of the licensee or person," the proposed amendment states.

According to the amendment's "objects and reasons" section, the requirement to publish all enforcement actions was made after the International Monetary Fund recommended it in the IMF's 2010 financial services sector assessment.

However, such a blanket requirement unfairly treats minor

offences the same way it treats serious infractions, the bill states.

"The blanket obligation to publish enforcement action negates the seriousness which relates to some offences/breaches as against others that are less serious, and therefore deserving of a different approach," the bill states. "It is in that context that the bill seeks to empower the commission to decide in appropriate cases where enforcement action is taken, not to publish the enforcement action."

What to publish?

The bill further states that the FSC would "generally" not publish penalties for minor infractions such as warnings or administrative penalties "within a small threshold."

The amendment does not outline specifically what should and should not be published, but gives the FSC the power to make such guidelines.

"In order to ensure that the commission properly exercises its discretionary powers, the bill empowers the commission to determine the types of enforcement action that may not attract publication," the bill states. "This approach will ensure certainty in the enforcement process and avoid unnecessary disparity with regard to the manner in which licensees and other persons are sanctioned."

The proposed amendment was introduced last month, and could be passed when HOA reconvenes on Monday.

VI-registered companies accused in billion-dollar fraud case

Were allegedly used to bribe gov't officials

By **KEN SILVA**
ksilva@bvibeacon.com

In November, the Brazil-based engineering conglomerate Odebrecht S.A. reportedly signed the largest anti-corruption settlement in history, agreeing to pay between \$2.1 billion and \$4.5 billion to the United States, Switzerland and Brazil for allegedly bribing government officials in exchange for receiving and retaining public contracts.

All in all, the scandal known internationally as "Operation Car-

wash" allegedly included Odebrecht funnelling about \$788 million in connection with more than 100 projects in 12 countries, according to US Federal Court documents.

A document outlining the allegations, which was released by the US after the plea agreement was reached, states that some of those illicit funds were funnelled through the Virgin Islands-registered companies Smith & Nash Engineering Company and Golac Projects and Construction Corporation.

For example, in December 2008 Odebrecht allegedly transferred \$48 million to a bank account set up by Golac, which then transferred about \$10 million to Panamanian and Antiguan bank accounts owned by officials of the

Brazilian state-owned petroleum company Petrobras, according to court documents.

Odebrecht also transferred about \$5.7 million to an account owned by Smith & Nash, from which some \$2 million in bribes were funnelled to a Petrobras official, the documents state.

Odebrecht also used a Brazilian-based subsidiary and offshore entities in other jurisdictions to conduct its bribery scheme, which garnered the company some \$3.34 billion in ill-gotten gains, the document states.

Employees

Along with the unprecedented \$2.1 billion fine, nearly 80 Odebrecht employees signed agreements to cooperate with law enforcement authorities in their in-

vestigations into corrupt government officials, according to Reuters.

"The plea bargains are expected to send shockwaves through Brazil's political establishment as they could incriminate as many as 200 lawmakers for taking graft money from Odebrecht, which prosecutors said had a department dedicated to bribery," Reuters reported.

Impeachment

In Brazil, the repercussions from Operation Carwash led to the August 2016 impeachment of former Brazil President Dilma Rousseff, who was on the Petrobras board of directors from 2003 to 2010.

Meanwhile, Odebrecht continues to experience fallout from the scandal, with countries around the globe reportedly

blacklisting it from receiving public contracts during the ongoing investigations.

According to *The Wall Street Journal*, the governments of Ecuador, Panama and Peru have banned Odebrecht from signing new public contracts amidst the investigation.

"I will be very surprised if [Odebrecht's international operations] are able to survive this," Gregory Michener, an assistant professor of government at the Brazilian university Fundação Getúlio Vargas, told the *WSJ*. "They'll probably be reduced to being competitive in Brazil."

Financial Services Commission officials did not respond to a *Beacon* inquiry about whether the VI companies allegedly involved in the scandal are under investigation here.



Line Cook/Chef

The ideal candidate will work as a part of a small professional culinary team. This position includes spending the night some evenings each week and especially throughout the high season. Must have appropriate culinary and hotel experience and be able to produce high quality International and Caribbean cuisine

Beach Attendant

The successful candidate should be a strong swimmer with knowledge in life-saving skills and basic first aid, sound knowledge of water-sports equipment including safety aspects. Must be physically fit, have experience in bartending, be hard working and have excellent guest service skills. Hotel/resort experience and sailing knowledge are a plus.

Waitress/Waiter.

The ideal candidate will excel in the restaurant environment working as a part of a team. Candidate must be neat and tidy with an attention for detail. This position requires staying on-island some evenings each week.

Supervisor

Hands-on, experienced part time with at least 5 years in the hospitality industry to manage business including operations, guest services, maintenance, food and beverage services, housekeeping services, grounds management and engineering services, reservations and purchasing. Duties will include full responsibility during manager's absence and is required to move on to island during these times.

Guana Island Hotel seeks dynamic individuals with good customer service, a pleasant personality and strong motivational skills. Candidates must be able to work evenings, weekends, public holidays and late night shifts. Belongers preferred. Please send resume and professional references addressed to Andrea Starkey, P.O Box 3527, Road Town, Tortola, BVI or fax to 494 2900 or e-mail afs@guanamail.com.

Sailing from page 16

The course entailed five days of drills and practice races, culminating with "regatta day" so the participants could apply what they learned.

While each boat in the regatta had a professional sailing instructor on board, the instructors generally did not contribute and only observed what the crew was doing.

After the race, the participants gathered in the conference room of Scrub Island Resort & Marina for a "debriefing," where they discussed what went well and what didn't.

"Our basic strategy for the race was to have speed at the start, not get bottled up with any other boats, and get on port tack," said one of the instructors. "And actually, we did that very well on the last race."

Overall, the course was a hit with the participants, and Ms. Colgate said Offshore Sailing plans on holding many more in the VI.

Ms. Colgate said while her company offers two-hour sailing classes for residents, programmes like the racing course primarily attract tourists who often become enamoured with the territory's beauty.

"From the BVI point of view, we're bringing in tourists and not relying on getting business here," she said. "These are successful business people who would buy here if they could."