



GENEVA GROUP INTERNATIONAL

GGI INSIDER

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European Conference in Cannes

News and Information for Members and Friends of Geneva Group International

Editorial

Dear GGI Member

Spring is in the air, the latest INSIDER issue flows into your mailbox offering you a colourful mix of international news stories, fascinating topics, comment articles and background information.

At the end of April, GGI members will be gathering in sunny France for the European Conference on the Cote D'Azur. Candace Johnson, the "satelady", is keynote speaker in Cannes and will be sharing her insights on Early Stage Investments with Conference delegates. She will also be discussing topics including how to find, support, finance and mentor early stage investee

companies in a workshop on Saturday morning. With a balanced combination of further lectures, specialist practice group meetings and inspirational workshops, this promises to be an interesting Conference. The fringe programme takes delegates to picturesque locations, offering a culinary journey around France and, of course, many networking opportunities.

In this issue, we fill you in on recent GGI events, including the Practice Group Chairpersons' Meeting in Zurich, the Executive Committee Meeting and the EasyMeet in Eisenberg, an event for juniors and associates within GGI.



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GGI member Michiel Teekens shares his positive experience of the GGI Staff Exchange Programme.

Ian Spittal talks about tax changes for expatriate employees working in Australia, Martin Thieslaur reports on entry certificates for intra-community supplies in Germany and Lubos Fojtik keeps you in the loop about changes to land registers in the Czech Republic.

Read about the activities of our GGI practice groups. For example, the International Taxation practice group established a new VAT sub-group during its weekend meeting in Marbella, Spain. Raluca Tutu also discusses the objectives, projects and opportunities of this group in INSIDER.

The Real Estate practice group has launched a new publication, a newsletter which reports on the latest developments in the real estate sector, successful mandates, trends, changes in legislation and further interesting stories from the real estate sector.

In his travel tips column, Ady Nordman highlights some of Zurich's culinary delights.

We hope you enjoy this varied edition of INSIDER.

Your GGI Team

Diary

- **26-29 April 2012**
GGI European Conference
Cannes - France
- **14-17 June 2012**
GGI Leadership Forum
Eisenberg - Austria
- **21-24 June 2012**
GGI North & Latin American
Joint Regional Conference
Miami - United States
- **14-16 September 2012**
GGI German Speaking Chapter
Bozen - Italy
- **18-21 October 2012**
GGI World Conference
Rome - Italy
- **16-18 November 2012**
GGI EasyMeet
Prague - Czech Republic
- **13-16 December 2012**
GGI Asian Regional Conference
Bangkok - Thailand
- **18-21 April 2013 (TBC)**
GGI European Conference
Lisbon - Portugal

Please refer to our website for actualised information and additional events: www.ggi.com, entry "Events"



Cannes – view from castle

26-29 April 2012

GGI European Conference in Cannes

Only a few weeks until 26 April when the GGI European Conference will take place in a marvellous setting at the splendid Hotel Martinez in the heart of the French Riviera. The conference will be hosted by GGI member firm Anthony & Cie.

Presenting a wonderful opportunity to network, we invite GGI members to connect with companies from all around the world, meet key decision makers, forge new friendships, catch up with old friends, participate in the workshops and Practice Group meetings and, last but not least, enjoy leisure activities with fellow GGI members.

The keynote speech will be given by
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Candace Johnson

Candace Johnson, a Venture capitalist, business leader and innovation expert who has been active in the technology industry for the past 35 years. She helped pioneer the satellite system covering Europe and was called a trailblazer and a revolutionary by many of her peers. Johnson is now playing a big role in investing in Europe's start-ups, arguing that if Europe wants to ensure its economic prosperity everyone is going to have to play their part to prevent young entrepreneurs from moving elsewhere.

Practice Group meetings invite GGI delegates to exchange technical knowledge, experiences and ideas with international expert teams and discover the range of opportunities for setting up collaborative projects.

On Saturday morning, a workshop session will take place. Candace Johnson will lead a workshop jointly with Prof. Robert

Anthony in which they will discuss topics around Early Stage Investments: Finding, Supporting and Exiting the Right Innovative Companies. GGI Honorary Vice President Oliver Rothschild will chair a workshop covering the topics of entrepreneurialism and innovation. Dr. Robert D'Alessandro will explore investment funds and compliance in a new world order. Jeffrey L.R. Kenens and Andrea Hellmann will jointly establish a new GGI practice group, Labour Law. Besides organisational matters, they will discuss dynamics on European labour markets – are fixed term contracts the price of more employment?

As usual a colourful mix of interesting fringe events will round off the conference. GGI members who have not yet registered, may still do so. Please use the online registration tool at www.ggi.com (member login/events). The detailed conference program is also available here.



Capital Guaranteed Insurance Euro Funds

The Euro Value fund has been around in France for a long time as part of life assurance contracts available to both individuals and corporate structures and, yes, believe it or not, net performance rates at the turn of the new millennium were hovering around 7%.

The fund is a managed fund, and its composition and operation are strictly regulated, making it unique.

Originally, the purpose of the fund was to offer a regular rate of return at rates that were higher than could normally be obtained from any other highly secure

investment. This was achieved by the original funds being invested at around 70% in government and corporate bonds, with some 10% in life funds, 10% in property, 5% in loans, and some 5% in cash, so offering the possibility of making profits by trading. The functioning of the fund was simple - the assurer managed the fund and, once a year, declared a rate of return to represent both income and the capital growth attained. As the returns of the bonds were quite high at the time, it was not unheard of for the assurers to be frequently making handsome returns, and then preferring not to distribute all of their benefits so as to have the wherewithal to boost the returns of years when their returns had been less attractive.

In more recent years, and as the older bonds have been gradually maturing, finding new replacement ones with comparable returns has been increasingly difficult. This has led most assurers to issue new versions of these funds with a greater share-based investment so as to facilitate tapping into the potential market growth, and more easily make profits on buying and selling stocks. Indeed, some assurers have even brought out versions of these funds that mainly invest not in bonds, but in property, all

with the aim of boosting the ailing returns of these last few years whilst at the same time ensuring capital growth and security. But the government and corporate bonds of today are still generally high quality triple or double-A rated, sometimes accounting for as much as 85% of the bond holding, with over 40% of the holding having maturity dates of more than 10 years, and some 35% with maturity dates of between 6-10 years.

Whilst recent rates of return might seem to be low, they can in fact, in time, reveal a totally different picture, as the great benefit of time is compounding - the interest-on-the-interest-on-the-interest-factor.

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As an example, take an annual flat rate return of 4% net, paid over 10 years: when looking at the overall growth of the fund at the 10-year point, the average rate of return would in fact be 4.80% per annum. Whilst this might not seem to be immensely different from the annual rate itself, carrying the process through to 12 years would increase this annual average rate to 5.01%, and to 5.34% at 15 years. Accordingly, as one can see, the effect of what might initially appear to be an average rate can, quite quickly, take on a completely different perspective - and produce higher real rates of return.

But the principle returns of the fund are not all that is good about the fund as, additionally, the returns, once paid, cannot be removed or lost. And the capital is safe - it is not liable to value fluctuations as the stock market values themselves fluctuate. In this sense, it is much like a deposit account, accumulating the annual returns each year and just growing.

Another important aspect of the fund is that it does have valuable guarantees. These are based around the minimum returns that the fund can pay - a guarantee that, in France, has never been invoked. There are basically two methods that can be used by the assurer to fix the minimum guaranteed return rate, most assurers using a link to the French average lending rate. In addition, there are limits on the extent to which this guarantee can change from one year to

the next, whilst nonetheless ensuring it changes in line with inflation (up or down), all so as to create a truly realistic minimum rate of return.

However, in addition to choosing the right fund, as any one assurer has only one of these Euros Funds, additionally choosing the right assurance provider - and the right contract - are other factors to consider. As financial investment consultants and independent brokers with over 30 years' experience in France, Anthony & Cie are best placed to help you find your right combination, and help your wealth grow tax efficiently.

GGI member firm

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