Offshore Banking & the Prospects for the Ghanaian Economy

OFFSHORE BANKING AND THE PROSPECTS FOR THE GHANAIAN ECONOMY

RESEARCH DEPARTMENT

BANK OF GHANA

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1.0 INTRODUCTION

One of the key developments in the world economy during the last few decades has been the growing international mobility of capital. An element in this process has been the growth of offshore finance. It is estimated that 45 per cent of the world's private wealth is now managed offshore. With the changing face of the global financial architecture and the need to identify additional sources of cheaper investment funds, Offshore Financial Centres (OFCs) have become an important vehicle through which this can be achieved.

It is against this background that the Government of Ghana decided to introduce an International Financial Services Centre (IFSC) in Ghana to further increase the depth of the financial sector. The IFSC is regarded as an important part of the financial sector development strategy. It establishes the institutional framework that would link the financial sector to huge volumes of cross border transactions in global financial markets. To this end therefore, the management of Barclays Bank Ghana Limited has been granted a General Banking Business licence by the Bank of Ghana to operate the first banking business under the international banking component of the IFSC

Ghana's International Financial Services Centre will have a full range of non-bank financial services. According to Ms Catherine Addo, Head of Offshore Banking of Barclays Bank," Barclays decided to open the facility because of the safe and stable political environment, good corporate governance and sound economic policies….."

The main objective of this paper is to shed some light on the potential benefits of Offshore Banking to the Ghanaian economy using both theoretical evidence and selected country case studies. The general consensus in the literature suggest that while offshore banking has a strong potential of contributing to the growth prospects of every economy, certain conditions are necessary if this is to be achieved.

Prominent among them is the regulatory framework needed to avoid it being used illegally and for other rent seeking activities. Therefore prudential regulations and effective financial sector surveillance are important in providing the safeguards for their effectiveness.

The paper is structured in five sections. Section 2 provides an overview of Offshore Financial Centres. Section 3 follows with a discussion on Financial Service Centres and Offshore Banking in Ghana. Section 4 evaluates the current regulatory standards while section 5 concludes and outlines some policy recommendations.

1.1 HISTORY AND SIZE

Historically, the growth of OFCs can be traced back to the restrictive regulatory regimes in many advanced countries in the 1960s and 1970s. These regimes blocked the flow of capital to and from other countries (excluding trade financing), imposed restrictions on the interest rates banks could offer, raised banks' funding costs in domestic markets (for example, through the imposition of high non-interest-bearing reserve requirements). These restrictions, which in many cases, were intended to provide governments with more control over monetary policy, encouraged a shift of deposits and borrowing to less regulated institutions, including banks in jurisdictions not subject to such restrictions. It was expected that the activities of OFCs would diminish with the emergence of financial liberalization in industrial countries in the 1980s and 1990s. However, many of these centres have adapted to increased competition from the major onshore financial centres and continue to account for a significant volume of global financial flows.

Available statistics indicate that offshore banking is a very sizeable activity. According to IMF Staff calculations, based on BIS data for selected Offshore Financial Centres, OFC cross-border assets reached US$4,600 billion at the end of June 1999 (about 50 per cent of total cross-border assets), of which US$900 billion is in the Caribbean, US$1,000 billion in Asia, and most of the remaining US$2,700 billion accounted for by other International Financial Centres (IFCs)[1]

Table 1: International Financial Centres Ranked by Banks' External Assets

	External Assets (US$ billions)
United Kingdom	2,095
Japan	1,199
Germany	975
United States	951
Cayman Islands	782
Switzerland	740
France	640
Luxembourg	510
Hong Kong	450
Singapore	424
Netherlands	290
Belgium	285
Bahamas	276

[1] *See IMF Background Paper on Offshore Financial Centres (June 2000)*

2.0 OVERVIEW OF OFFSHORE FINANCIAL CENTRES

2.1 DEFINITIONAL ISSUES AND USES OF OFFSHORE FINANCIAL CENTRES

There is no consensus among scholars and practitioners on what constitutes an Offshore Financial Centre, even though various attempts have been made to define OFCs, since they started to have an impact on international financial markets in the early 1970s. Many variants of the term have been used, including International Financial Centre (IFC), International Banking Centre (IBC), International Banking Facilities (IBFs), and Offshore Banking Centre. All these terms broadly refer to the same concept of Offshore Financial Centre. There are two groups of definitions: the conceptual definitions (mostly proposed by academics) and the operational definitions intended for practical applications (proposed by the IMF).

Table 2 summarizes the characteristics used in the conceptual definitions. Three distinctive and recurrent characteristics of OFCs have emerged from these definitions: (i) the primary orientation of business is toward non-residents; (ii) the favourable regulatory environment (low supervisory requirements and minimal information disclosure) and; (iii) the low-or zero-taxation schemes.

Table 2: Offshore Financial Centres Definitions

CHARACTERISTICS	REMARKS
Primary orientation of business toward non-residents	
Dufey and Giddy (1978) McCarthy (1979) Park (1994) IMF (June 2000)	The country or jurisdiction should also have made a conscious effort to attract offshore business.
Favourable regulatory environment	
Dufey and Giddy (1978) McCarthy (1979) Johnston (1982) Errico and Musalem (1999)	
Low-or zero-taxation scheme	
Dufey and Giddy (1978) McCarthy (1979) Park (1994) Johnston (1982) Errico and Musalem (1999)	
Disproportion between the size of the financial sector and the domestic financing needs	
Johnston (1982)	
Dealings in currencies that are not the currency of the country where the centre is located	
Park (1994)	
Offshore banking activity is essentially entrepôt business	
Johnston (1982) IMF (1995)	OFCs are locations for the temporary storage of funds
Centre separated from major regulating units (states)	
Hampton (1996)	The separation could be by geography and/or by legislation. This criterion is not pertinent because the mere partition of offshore business from the main economy lacks enough specificity to characterize an OFC

Source: Ahmed Zoromé Concept of Offshore Financial Centres: In Search of an Operational Definition (2007)

Offshore Financial Centres, despite their name, are not necessarily islands, although many island jurisdictions have established OFCs. Historically, OFC jurisdictions have been associated with one or a combination of the following: low or zero taxation; moderate financial regulation and supervision; and secrecy or anonymity in financial dealings. Typically, offshore banks deal almost always with other financial institutions and transact wholesale business denominated in currencies other than that of the country hosting the OFC. Specifically, a number of legitimate factors continue to attract financial institutions and investors to OFCs. These factors include:

- A more convenient fiscal regime with lower explicit taxation and increased net profit margins.

- Convenient regulatory frameworks that reduce implicit taxation.

- Minimum formalities for incorporation.

- Adequate legal frameworks that safeguard the integrity of principal-agent relations.

- Proximity to major financial centres.

- Complete freedom from exchange controls.

Offshore banks are used for a variety of purposes. They may be formed as a subsidiary of a domestic or international bank to accept deposits outside the controlled environment, particularly foreign currency deposits. They may also be set up to undertake book transactions which do not fall within the domestic jurisdiction such as large internationally syndicated loans particularly where the participating banks are located in various jurisdictions. They also make loans, which are tax effective to their clients and help to provide their clients with banking secrecy.

Many Offshore Banks are created by corporate groups to handle external borrowing or to consolidate inter-group finance or banking transactions. Some corporations involved in international trade also use Offshore Banks as foreign or multi-currency management centres. Other activities of offshore banks include external loan raising, confirming finance to clients and group entities, discounting and factoring of inter-group and other debts.

Table 3: Countries, Territories, and Jurisdictions with Offshore Financial Centres

AFRICA	**Djibouti**	**Liberia (J)**	**Mauritius (OG) (FSF)**	**Seychelles (FSF)**	**Tangier**	
ASIA AND PACIFIC	Cook Islands (FSF)	Guam	Hong Kong, SAR (J) (OG) (FSF)	Japan[1]	Labuan, Malaysia (FSF)	Macao, SAR (FSF)
	Marianas	Marshall Islands (FSF)	Micronesia	Nauru (FSF)	Niue (FSF)	Philippines
	Singapore[2] (J) (OG)	Tahiti	Thailand[3]	Vanuatu (J) (OG) (FSF)	Western Samoa (FSF)	
EUROPE	Andorra (FSF)	Campione	Cyprus (OG) (FSF)	Dublin, Ireland (FSF)	Gibraltar (OG) (FSF)	
	Liechtenstein (FSF)	London, U.K.	Luxembourg (FSF)	Madeira	Malta (OG) (FSF)	
	Guernsey (OG) (FSF)	Isle of Man (OG) (FSF)	Jersey (OG) (FSF)	Monaco (FSF)	Netherlands	Switzerland (FSF)
MIDDLE EAST	Bahrain (J) (OG) (FSF)	Israel	Lebanon (J) (OG) (FSF)			
WESTERN HEMISPHERE	Anguilla (FSF)	Antigua (FSF)	Aruba (J) (OG) (FSF)	Bahamas (J) (OG) (FSF)	Barbados (J) (OG) (FSF)	Belize (FSF)
	Bermuda (J) (OG) (FSF)	British Virgin Islands (FSF)	Cayman Islands (J) (OG) (FSF)	United States[4]	Uruguay	West Indies (UK) (J)[5]
	Costa Rica (FSF)	Dominica	Grenada	Montserrat	Netherlands Antilles (J) (OG) (FSF)	Panama (J) (OG) (FSF)
	Puerto Rico	St. Kitts and Nevis (FSF)	St. Lucia (FSF)	St. Vincent and Grenadines (FSF)	Turks and Caicos Islands (FSF)	

Source: Based on Errico and Musalem (1999), IMF Working Paper WP/99/5 (unless otherwise indicated).

[2] Legend:

(J) = Joint BIS-IMF-OECD-World Bank Statistics on External Debt

(OG) = Offshore Group of Banking Supervisors

(FSF) = Financial Stability Forum's Working Group on Offshore Financial Centres

1. Japanese Offshore Market (JOM)

2. Asian Currency Units (ACUs)

3. Bangkok International Banking Facilities (BIBF)

4. US international Banking Facilities (IBF)

5. Includes Virgin Islands, Anguilla, and Monserat

2.2 THE POTENTIAL RISKS FROM OFFSHORE OPERATIONS AND COUNTRY EXPERIENCES

Notwithstanding the potential economic contributions of OFCs, it is important to mention that some characteristics of OFCs do raise concerns about the potential risks they pose to both domestic and international financial stability. An important issue that is usually raised is the likelihood that the lower cost of financial services is achieved through sub-standard regulation and supervision rather than positive competition and innovation.

Concerns about the potential risk posed by offshore centres to other financial systems have been raised in several international forums, including the Financial Stability Forum (FSF), the Financial Action Task Force on Money Laundering (FATF), and the Organization for Economic Cooperation and Development (OECD). The April 2000 FSF report on offshore centres highlighted prudential and market integrity concerns stemming from factors in OFCs that impede effective supervision by the onshore home supervisor and hinder cooperation, which is necessary to enhance financial stability and fight financial fraud.

There have been a number of failures of offshore banks in addition to the well-known cases of Bank of Credit and Commerce International (BCCI) in 1991 and Meridian International Bank in 1995. All have been relatively small banks, and of no systemic importance. Because of advances in prudential and supervisory frameworks under the auspices of the Basel Committee on Banking Supervision as well as increased international awareness[3], it is now unlikely that a bank owned and incorporated in an OFC could establish operations in other major financial markets on anything like the scale achieved by BCCI, or even Meridian Bank.

Offshore banking operations have, however, played a role in the recent financial crises of Latin America and Asia[4]. In Latin America, offshore establishments were used as alternatives to domestic financial institutions that were often subject to strict prudential regulations and high reserve requirements. Moreover, tax advantages

[3] *For a fuller discussion of these issues, see Background paper on Offshore Financial Centres, the role of the IMF*

[4] *Errico and Musalem (1999) (WP/99/5)*

as well as political and economic uncertainty onshore fuelled the use of offshore establishments. The absence of effective consolidated supervision by onshore supervisors proved to be the most important factor in permitting the exploitation of regulatory arbitrage offered in some OFCs through the transfer of assets and liabilities between offshore establishments and parent banks onshore. In Asia, regulatory and fiscal advantages as well as lower borrowing costs, offered in some OFCs induced many Asian banks and corporations to tap international capital markets through offshore establishments. Large, undetected, and poorly accounted for offshore funds contributed to credit expansion in the region which led to increased exposures to liquidity, foreign exchange and credit risks, and had systemic effects on the financial systems of the countries concerned.

The cases of Argentina (1995), Venezuela (1994), and, more recently, Ecuador, show that a large, leveraged, and insolvent offshore establishment designed to escape the reach of supervisory authorities onshore may disrupt the operation of its onshore affiliated bank. In other instances, offshore establishments become substantially larger, in terms of assets and liabilities, than affiliated banks onshore (as in the case of some private banks in Costa Rica). Because offshore banks may exploit such opportunities for regulatory arbitrage, transferred funds can be used to finance connected onshore activities—real estate and construction, for instance—further concentrating onshore risks in offshore financial centres, some of which are inadequately supervised.

To deal with these problems, the IMF, in collaboration with other international organizations and relevant standard-setting bodies, has stepped up efforts aimed at strengthening member countries' capabilities for the implementation of effective consolidated supervision, including the Financial Sector Assessment Programme (FSAP), Basel Core Principles Assessments, as well as technical assistance activities. National supervisory authorities, on their part, have been implementing a number of practical safeguards and countermeasures, partly as a result of the negative experiences described previously, to deal with risks surrounding the use of OFCs.

Therefore, despite the lack of major systemic problems to date, some OFCs and offshore operations have the potential to become the source of more serious vulnerabilities, nationally as well as globally. There is a need for a better understanding of the operation of OFCs and surrounding risks. In order to prevent or limit these potential vulnerabilities, the relevant authorities must include analysis of offshore financial services in assessments of financial vulnerabilities, in both onshore and offshore centres.

3.0 FINANCIAL SERVICES CENTRE AND OFFSHORE BANKING IN GHANA

3.1 BACKGROUND

The Government of Ghana introduced the concept of offshore banking as a key aspect of its financial sector development strategy, with a view to making Ghana a gateway to financial services in West Africa and linking the Ghanaian economy to global markets. In view of this, the Parliament of Ghana in 2007 passed an amendment to the banking Act, 2004 (Act 673) paving the way for the establishment of offshore banking in Ghana and eventually other offshore financial services like insurance and leasing. The specific focus of Ghana's International Financial Service Centre is to be a regional hub for financial activities in Africa and to attract Diaspora investments.

Before then, Barclays Bank Ghana Limited (BBG) in 2005, signed a Memorandum of Understanding (MoU) with the Government of Ghana to set up the International Financial Services Centre of Ghana[5]. A concept paper detailing the required infrastructure was submitted to Government and approved. It required changes in the regulatory, organizational and operational frameworks in the banking industry which were subsequently proposed and amended. Then in 2006, BBG and government agreed to set up the International (Offshore) Banking sector in Ghana. Offshore banking is supposed to among other things provide banking services in Ghana to non-resident customers, create a portfolio of investment products in an environment of low or no taxation, high confidentiality and security, generate both interest and fee income from non-resident customers, attract investments from the Diaspora and the African sub-region, and attract funding for the domestic market and offshore clients.

[5] *Source: http://www.gipc.org.gh/UserFiles/File/news/BarclaysExperienceOffShore.doc*

3.2 PROSPECTS AND BENEFITS TO THE GHANAIAN ECONOMY

Notwithstanding the reservations that some individuals and institutions have about the activities of offshore financial centres, a well regulated OFC can bring numerous economic gains to the country. A key benefit of Offshore Banking is the attraction of foreign deposits in foreign currencies. According to Barclays Bank, they intend to attract large volumes of deposits, which will form the basis for developing more lending solutions to Ghana's private sector so as to help generate employment and create wealth. Aside this direct benefit, the economy stands to gain a lot in areas such as aircraft financing and leasing, ship registration, trust incorporations, assets management, insurance, pension funds, and consultancy services.

Using Mauritius as a typical example, the number of people employed in the offshore sector is over 1,500. The sector is said to have contributed to the development of knowledge and skills and helped Mauritius to integrate substantially with the world economy. Indirect benefits include a significant rise in the business of accountants, lawyers, chartered secretaries among others. The tourism sector also benefited from international visitors. Other contributions of the sector to GDP is reflected in rental of office space, telecommunication charges and other local expenditures including rent for housing and payment for services. Currently, there are 28,991 offshore companies registered in Mauritius. Annual fees generated by these companies are around USD 15 million. This does not include those generated by management companies through services they offer, all of which are remunerated in foreign currency.

Bermuda, with a population fewer than 70,000 people, has about 28 per cent of the world's captive insurance market with 1,491 insurance companies having assets worth over $290 billion. Its banks hold assets worth over $22 billion. Financial services represent 26 per cent of GDP. Cayman Islands houses 312 banks with assets of over

$1,000 billion. Financial services represent 30 per cent of the Islands GDP. Banks in the British Virgin Island hold assets worth over $2.4 billion. Fees from registration and licensing of offshore companies account for over 50 per cent of total government revenue.

It is widely anticipated that an offshore financial centre in Ghana will support enormous financial activities while simultaneously impacting positively on other sectors and challenge institutions within the economy. Institutions such as the tax authorities, the Registrar of Companies, the Insurance Commission, and the Securities Exchange Commission among others stand to benefit enormously from the operations of offshore banks.

Thus the activities of OFCs have the potential of promoting rapid economic growth and employment by attracting massive foreign direct investment (FDI). Other potential benefits include improvement in physical infrastructure, strengthening of the human resources base of the local financial sector through skills transfer, placement of Ghana on the radar as the regional hub of financial services in the West African sub-region as well as open up the tourism industry.

Advocates of offshore banking often characterise government regulation as a form of tax on domestic banks which serves to reduce interest rates on deposits. Minimal regulation for OFCs allows them to pass benefits to customers in the form of cheaper loans and better remunerated deposits. The banking institution which offers offshore banking facilities to its clients is able to increase its deposit base at a greater rate than its wholly domestic competitors. Its clients benefit by receiving higher interest income; while the lower tax base of the offshore bank enables it to be more competitive with its interest rates[6].

[6] *Source: http://eurotrustee.com/eurotrustee/offshore_banking)*

Corporate groups, which establish offshore banks, stand to benefit in a variety of ways, including the tax advantages outlined above. In general, the corporate group will aim to maximise interest deductions against profits in high-tax areas whilst protecting group interest income from tax by accumulation in an offshore environment.

Also, the use of an offshore bank as the currency management centre of a corporate group will provide a flexible and fiscally effective means of controlling foreign exchange exposure. Group exchange gains or losses, whether realised or unrealised, can be consolidated into one entity with resultant cost and administration benefits. Overall foreign exchange risk can be reduced and hedging or borrowing costs minimised. Exchange gains, fees, discounts, and interest income can be treated on a group basis in the most tax effective way.

3.3 CHANNEL OF INFLUENCE BETWEEN OFFSHORE BANKS AND DOMESTIC BANKING INSTITUTIONS

The presence of offshore banks may positively influence domestic banks and other financial enterprises at the institutional level through business interactions, upgrade of human skills and technology. The offshore banks may have to deal directly with local financial institutions by making available some onshore loans for the foreign exchange requirements of the latter's clientele. In the case of Ghana, this activity is restricted to banks with general banking licence. They may also do so directly to service the foreign currency needs of domestic enterprises.

Another level of benefits to domestic financial institutions is the direct learning experience. Through the interaction of offshore bank units with domestic banks, the management capability of the latter can be influenced effectively, hence, a more effective transfer of banking technology. Sometimes this is accomplished because the former employees of the offshore units through their careers find new jobs in the traditional domestic banks. In fact, it can be expected that the domestic banks will look towards the managerial pools already trained in the offshore and foreign branch banks in order to improve their own competitive edge. In this sense, the foreign banks will provide substantial side benefits to the economy through their training of domestic bankers. Through this experience, as well as the traditional exchange of desk officers among correspondent banks, new technology and methods will be transferred to the local banks.

4.0 REGULATION OF OFFSHORE BANKS IN GHANA

4.1 WHY REGULATE

Any financial system that is not effectively regulated runs the risk of creating weak financial institutions. The supervisory framework should include well capitalized institutions, reliable and adequate information, and a good legal framework with adequate enforcement provisions, transparency and disclosure requirements. Other issues include effective risk management systems in banks, adoption of a risk based approach to supervision, good corporate governance practices, strict anti-money laundering/CFT regulations, and the adherence to sound ethical principles. Recognising the role an effective regulatory and supervisory system plays in ensuring the smooth operation of OFC in Ghana, the government in collaboration with the various stakeholders undertook a major overhaul of existing financial sector laws to make them conform to the demands of modern day financial architecture.

4.2 THE BANKING (AMENDMENT) ACT, 2007 (ACT 738) AND OFFSHORE BANKING

The Banking Amendment Act 2007 (Act 738) amended and added to specific sections of Banking Act 2004, (Act 673). The Act specifically redefined and classified banking business into classes. Class I banking licence allows the holder to conduct banking business currently classified as universal banking. Class II banking licence allows the holder to conduct banking business or investment banking business with non-residents and other class II bank licence holders in currencies other than the Ghanaian currency except to the extent permitted by the Bank of Ghana for trading on the foreign exchange market of Ghana and investment in money market instruments. The third category of licence is the general banking licence which allows both class I and class II banking business in Ghana. The table below presents a summary of the International Financial Service Centre infrastructure.

Table 4: International Financial Services Centre Infrastructure

REGULATORY FRAMEWORK					
1. Banking Act 2. Exchange Control Act	1. Anti Money Laundering Act	Insurance Act	Anti Corruption Act	Securities Bill/Act	Companies Act/Trust
ORGANISATIONAL FRAMEWORK					
Financial Service Regulatory Body * Monitor * Supervise * Facilitate	Financial Services Promotion Agency * Promoting financial Services	Financial Interligence Unit * Investigate * Competition Authority * Anti fraud and corruption commission			
OPERTATIONAL FRAMEWORK					
OMC's corporate service providers Transaction service providers	Fund/Trust management companies Securities intermediaries Insurance intermediaries	No exchange control	Tax and fiscal incentives Double tax treaty network	Efficient and effective air and sea transport Efficient and effective telecommunicatios service	

Source: Bank of Ghana

5.0 CONCLUSION AND POLICY RECOMMENDATIONS

There is no doubt that an International Financial Services Centres and for that matter offshore banking has a great potential for the economy of Ghana. As gathered from the country case studies, Ghana stands to benefit from the activities of offshore banking if things are done right. Potential benefits include employment creation, increase in the depth of the domestic financial sector through positive linkages, increase in tax revenue to the government, increase in foreign direct investment, contribution to the development of knowledge and skills and other indirect benefits.

By and large, most of the conditions necessary for the benefits of an IFSC in Ghana have been created. Sound economic policies have ensured macroeconomic stability. The political environment remains stable. The regulatory framework has been crafted and the Bank of Ghana has built capacity to provide consolidated supervision for both offshore and onshore banks.

In granting the first licence for offshore banking, the Bank of Ghana noted that international banking business is highly competitive. Players in this segment of the market should therefore be strong, reputable and competent. In a sense, to be able to acquire a licence, one would have to demonstrate financial and operational strength and integrity that can withstand global competition, market discipline and regulatory scrutiny.

APPENDIX

Countries, Territories, and Jurisdictions with Offshore Financial Centres

Africa	Asia and Pacific	Europe	Middle East	Western Hemisphere
Djibouti	Cook Islands (FSF)	Andorra (FSF)	Bahrain (J) (OG) (FSF)	Anguilla (FSF)
Liberia (J)	Guam	Campione	Israel	Antigua (FSF)
Mauritius (OG) (FSF)	Hong Kong, SAR (J) (OG) (FSF)	Cyprus (OG) (FSF)	Lebanon (J) (OG) (FSF)	Aruba (J) (OG) (FSF)
Seychelles (FSF)	Japan [1]	Dublin, Ireland (FSF)		Bahamas (J) (OG) (FSF)
Tangier	Labuan, Malaysia (FSF)	Gibraltar (OG) (FSF)		Barbados (J) (OG) (FSF)
	Macao, SAR (FSF)	Guernsey (OG) (FSF)		Belize (FSF)
	Marianas	Isle of Man (OG) (FSF)		Bermuda (J) (OG) (FSF)
	Marshall Islands (FSF)	Jersey (OG) (FSF)		British Virgin Islands (FSF)
	Micronesia	Liechtenstein (FSF)		Cayman Islands (J) (OG) (FSF)
	Nauru (FSF)	London, U.K.		Costa Rica (FSF)
	Niue (FSF)	Luxembourg (FSF)		Dominica
	Philippines	Madeira		Grenada
	Singapore [2] (J) (OG) (FSF)	Malta (OG) (FSF)		Montserrat
	Tahiti	Monaco (FSF)		Netherlands Antilles (J) (OG) (FSF)
	Thailand [3]	Netherlands		Panama (J) (OG) (FSF)
	Vanuatu (J) (OG) (FSF)	Switzerland (FSF)		Puerto Rico
	Western Samoa (FSF)			St. Kitts and Nevis (FSF)
				St. Lucia (FSF)
				St. Vincent and Grenadines (FSF)
				Turks and Caicos Islands (FSF)
				United States [4]
				Uruguay
				West Indies (UK) (J) [5]

Source: Based on Errico and Musalem (1999), IMF Working Paper WP/99/5 (unless otherwise indicated).

Legenda:
(J) = Joint BIS-IMF-OECD-World Bank Statistics on External Debt.
(OG) = Offshore Group of Banking Supervisors.
(FSF) = Financial Stability Forum's Working Group on Offshore Financial Centers (Press Release of May 26, 2000).

[1] Japanese Offshore Market (JOM).
[2] Asian Currency Units (ACUs).
[3] Bangkok International Banking Facilities (BIBFs).
[4] U.S. International Banking Facilities (IBFs).
[5] Includes Virgin Islands, Anguilla, and Monserrat.

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