

SM/08/145
Supplement 1
Correction 1

June 12, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Offshore Financial Centers—A Report on the Assessment Program and Proposal for Integration with the Financial Sector Assessment Program—Supplementary Information**

The attached corrections to SM/08/145, Supplement 1 (5/9/08) have been provided by the staff.

Factual Updates Not Affecting the Presentation of Staff's Analysis or Views

Pages 8, 17, and 19: Tables replaced to add 2006 data for Cayman Islands, which were made available by the authorities after the circulation of the paper to the Executive Board.

Pages 20, 22, and 23: Figures updated to reflect new data.

Questions may be referred to Ms. Zephrin (ext. 38680) and Mr. Darbar (ext. 34252) in MCM.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (6)

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Table 1. Status of Participation in the Information Framework Initiative

Jurisdictions that have submitted data	Jurisdictions that have committed or indicated intent to participate but not yet submitted data	Jurisdictions that have yet to confirm participation	Jurisdictions that have declined to participate
Article IV			
Antigua & Barbuda	Barbados	Grenada	Costa Rica
Aruba	Marshall Islands		Hong Kong SAR 1/
Bahamas, The	Palau		Ireland 1/
Bahrain	St. Kitts & Nevis		Lebanon
Belize	St. Vincent and the Grenadines		Luxembourg
Cyprus	Malaysia (Labuan)		Malta
Dominica			Switzerland 1/
Mauritius			
Netherlands Antilles			
Panama			
Samoa			
Seychelles			
Singapore			
St. Lucia			
Vanuatu			
Non-Article IV 2/			
Andorra	Liechtenstein	Nauru	Niue
Anguilla		Turks and Caicos Islands	
Bermuda			
British Virgin Islands			
Cayman Islands			
Cook Islands			
Gibraltar			
Guernsey			
Isle of Man			
Jersey			
Macao SAR			
Monaco			
Montserrat			
Total			
28	7	3	8

1/ These jurisdictions, while declining to participate in the initiative, have authorized the Bank for International Settlements (BIS) to forward data on banks' external assets/liabilities to the Fund.

2/ Excepting Andorra, Monaco, Nauru, and Liechtenstein, these jurisdictions are Fund members, and member territories or dependencies but do not currently receive Article IV consultations.

Table 2. Banking Sector Indicators (2004-2006)
(in millions of US dollars unless indicated otherwise)

	Number of Banks				Total Assets				Total Loans				Total Deposits			
	2004	2005	2006		2004	2005	2006		2004	2005	2006		2004	2005	2006	
Andorra	...	...	7		...	...	16,324		...	...	12,899		...	...	13,426	
Anguilla	...	3	...		...	282	317		...	199	252		...	254	287	
Antigua and Barbuda 1/	16	...	...		4,160	6,718	...		386	727	...		3,557	4,546	...	
Aruba	...	6	6		...	2,610	2,263		...	1,455	1,397		...	1,861	1,824	
Bahrain	111	103	102		135,882	166,964	209,673		50,812	91,862	116,802		65,437	132,694	164,343	
Belize	13	...	...		976	...	...		697	...	...		747	...	...
Bermuda	4	5	5		20,489	22,371	16,394		5,498	5,890	5,398		18,276	19,586	4,098	
British Virgin Islands	...	9	9		...	2,523	2,150		...	994	1,248		...	2,207	1,765	
Cayman Islands	322	301	277		1,227,804	1,244,472	1,646,141		447,636	469,554	725,754		1,039,754	1,093,943	1,469,910	
Cook Islands	...	...	...		...	...	...		...	...	...		...	...	...
Cyprus	40	42	40		51,855	60,838	84,413		35,835	45,377	54,606		40,474	47,791	56,851	
Dominica	...	6	7		...	398	460		...	186	223		...	335	387	
Gibraltar	18	18	18		9,863	11,887	16,496		9,394	11,287	15,560		9,077	10,684	15,459	
Guernsey	54	50	50		143,601	150,364	197,003		10,427	10,284	11,098		134,936	138,755	180,877	
Isle of Man	55	51	48		93,989	97,794	115,158		13,247	12,748	17,044		89,222	92,881	109,922	
Jersey	51	47	46		397,322	419,097	542,295		347,105	356,145	453,491		304,691	317,362	371,643	
Macao SAR of China	23	26	27		19,487	27,053	34,157		...	8,567	10,215		...	23,606	29,637	
Mauritius	20	19	...		14,303	14,541	...		6,449	6,938	...		10,053	10,053	...	
Monaco	31	27	28		24,894	25,097	33,080		19,673	21,049	27,435		22,996	23,359	30,811	
Montserrat	13	...	...		1,022	...	...		618	...	...		805	...	...
Netherlands Antilles	...	...	...		...	34,055	...		...	10,996	...		...	23,192	...	
Panama	...	70	77		...	38,652	45,101		...	22,858	26,441		...	27,079	31,945	
Samoa	8	9	6		142	112	74		126	96	64		128	90	59	
Seychelles	6	6	6		973	1,062	1,228		245	281	284		825	876	1,039	
Singapore	...	110	108		790,634	756,330	887,475		631,865	599,617	691,169		696,737	661,196	765,754	
St. Lucia	5	...	...		139	...	...		5	...	...		2	...	...
The Bahamas	...	145	124		...	422,538	467,263		...	40,211	65,094		...	348,838	312,364	
Vanuatu	...	9	9		...	789	1,326		...	326	310		...	580	944	

Source: Information Framework.

1/ The data for 2004 refer to third quarter.

Table 11. Collective Investment Schemes (CIS) Incorporated (Registered) in the Jurisdiction (2004 -2006)
(in millions of US dollars unless indicated otherwise)

	Number of CIS						Total Asset Value						Net Asset Value					
	Including Fund of Funds			Excluding Fund of Funds			Including Fund of Funds			Excluding Fund of Funds			Including Fund of Funds			Excluding Fund of Funds		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Andorra	...	...	180	...	...	...	...	...	11,608	...	...	...	...	...	11,260	...	...	...
Anguilla	...	...	...	...	29	35	...	...	...	...	150	...	...	...	...	...	150	...
Antigua and Barbuda	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Bahrain	58	86	97	57	85	95	...	...	...	...	...	...	1,169	2,803	2,725	1,133	2,803	2,725
Belize	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Bermuda	1,149	1,182	1,302	...	...	...	...	...	...	...	...	...	158,183	187,531	211,521	...	...	...
British Virgin Islands	...	3,791	2,571	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cayman Islands	...	7,106	8,134	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cyprus	...	...	...	9	14	29	...	...	...	391	129	585	...	...	...	389	126	470
Dominica	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gibraltar	4	14	23	...	14	23	...	416	506	685	506	685	...	406	488	...	488	667
Guernsey	218	233	270	203	215	252	73,688	91,255	122,088	...	...	...	64,939	82,959	110,989	61,525	77,536	109,582
Isle of Man	253	209	227	...	...	...	...	10,372	13,308	...	...	...	13,577	8,972	13,137	...	...	...
Jersey	651	743	904	...	...	...	...	...	...	...	...	...	119,014	129,462	188,615	...	...	...
Macao SAR of China	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Mauritius	331	381	...	...	...	...	...	...	...	...	...	...	12,702	26,957	...	...	...	...
Monaco	62	61	63	53	52	50	...	...	...	...	...	...	8,045	7,370	7,869	7,554	6,709	6,915
Montserrat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Panama	...	16	...	...	15	...	...	...	557	...	554	...	...	...	...	...	524	...
Samoa	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Seychelles	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Singapore	379	381	374	379	381	364	19,791	24,646	30,206	19,791	24,646	29,730	...	...	...	...	...	...
St. Lucia	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
The Bahamas	...	484	491	...	361	386	...	...	...	...	...	...	...	...	139	...	102	68
Vanuatu	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: Information Framework.

Table 12. Collective Investment Schemes (CIS) Managed in the Jurisdiction (2004-2006)
(in millions of US dollars unless indicated otherwise)

	Number of CIS						Total Asset Value						Net Asset Value					
	Including Fund of Funds			Excluding Fund of Funds			Including Fund of Funds			Excluding Fund of Funds			Including Fund of Funds			Excluding Fund of Funds		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Andorra	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Anguilla	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Bahrain	39	25	38	39	25	38	...	...	...	...	...	...	2,557	962	2,733	2,557	962	2,733
Belize	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Bermuda	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
British Virgin Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cayman Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cyprus	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Dominica	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gibraltar	...	5	22	...	5	22	...	3,184	3,276	...	...	3,276	...	3,115	3,261	...	3,115	3,261
Guernsey	187	194	217	156	162	170	...	...	...	...	...	...	32,835	35,624	49,147	22,876	26,068	36,452
Isle of Man	253	209	227	...	...	...	10,372	13,308	...	...	...	...	13,577	8,972	13,137	...	...	...
Jersey	182	222	253	...	...	...	...	...	...	...	...	...	80,461	106,753	162,286	...	...	...
Macao SAR of China	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Mauritius	...	...	...	22	22	...	...	...	...	276	213	...	...	...	...	262	212	...
Monaco	53	53	56	44	44	44	...	...	...	...	...	...	6,545	6,354	6,653	6,054	5,693	5,734
Montserrat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Panama	...	13	...	...	12	...	...	409	...	...	406	...	...	402	...	...	399	...
Samoa	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Seychelles	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Singapore	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
St. Lucia	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
The Bahamas	...	215	274	...	124	230	...	...	...	...	...	...	...	36	118	...	9	105
Vanuatu	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

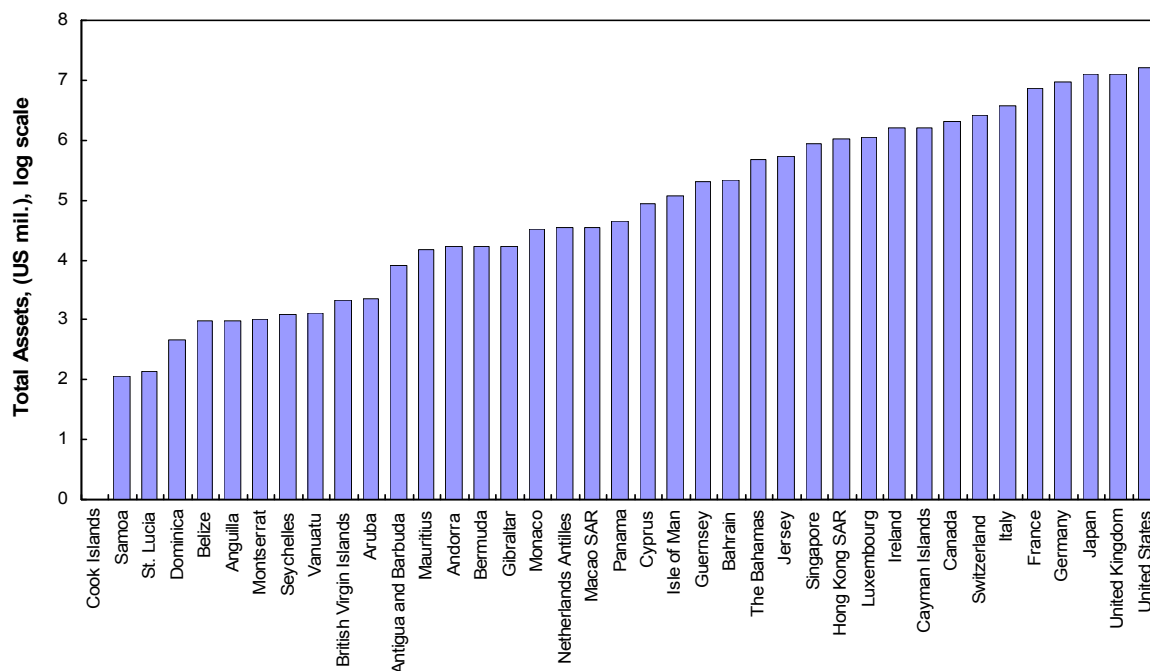
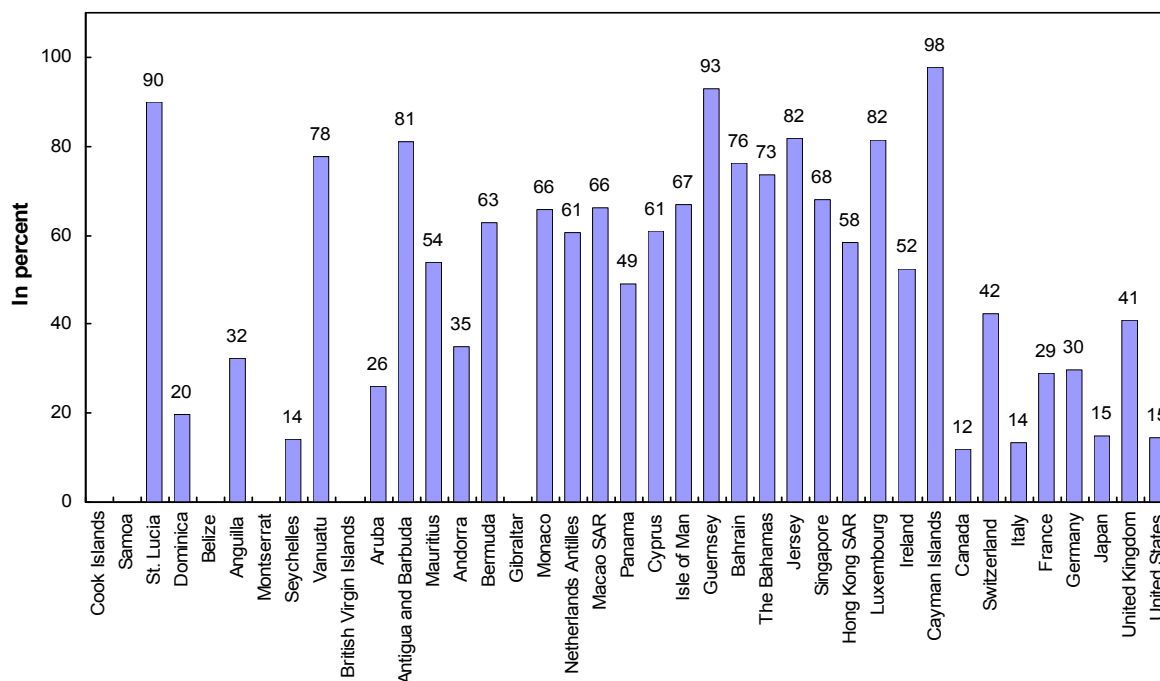
Source: Information Framework.

Table 13. Other Financial Sector Indicators (2004-2006)

	Number employed in the financial service sector (in thousands)			Total employment in the economy (in thousands)			Contribution of financial service sector to GDP (in millions of US dollars)			GDP (in millions of US dollars)		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Andorra	...	...	2	...	...	43	...	...	...	...	...	...
Anguilla	...	...	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	...	0.15	...	...	...	...	...	...	...	...	905	...
Aruba	...	1	...	...	47	...	...	...	...	...	2,274	2,453
Bahrain	7	8	10	284	337	352	2,710	2,460	...	11,012	13,381	...
Belize	...	...	...	...	...	...	...	...	...	...	...	...
Bermuda	...	7	7	...	39	40	1,462	...	...	4,505	...	...
British Virgin Islands	...	1	1	...	16	17	...	176	...	...	972	...
Cayman Islands	5	6	7	22	35	35	275	...	...	1,939	2,309	2,442
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...
Cyprus 1/	16	...	...	323	...	...	801	752	1,057	13,201	12,041	15,977
Dominica	...	0.5	...	...	25	25	...	22	25	...	163	170
Gibraltar	...	...	...	...	...	...	...	...	...	...	...	...
Guernsey	7	7	7	31	31	32	879	824	963	2,734	2,593	3,236
Isle of Man	12	10	9	43	43	41	1,056	980	1,235	2,963	2,883	3,431
Jersey	9	11	11	50	50	50	2,810	3,330	...	5,586	5,535	6,660
Macao SAR of China	6	7	7	203	238	267	631	...	...	7,949	11,558	14,285
Mauritius	10	8	...	487	291	...	521	555	...	6,264	5,405	...
Monaco	3	3	3	40	40	44	...	...	...	...	...	...
Montserrat	0.05	...	...	2	...	...	3	...	...	35	...	...
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...	...	...
Panama	...	13	15	...	1,273	1,293	...	1,325	1,161	...	15,468	16,923
Samoa	...	...	...	...	...	...	...	...	...	...	...	...
Seychelles	1	1	1	33	35	40	69	79	85	703	723	773
Singapore	108	116	127	2,207	2,320	2,496	11,822	12,560	14,705	106,818	116,761	132,161
St. Lucia	2	...	...	64	...	...	...	...	...	...	...	...
The Bahamas	...	4	5	...	179	182	...	419	471	...	5,870	6,237
Vanuatu	...	...	...	...	...	...	...	...	...	...	...	...

Source: Information Framework.

1/ Real GDP.

Figure 1. Banking Sector (end-2006)^{1/}1.a. Size of the Banking Sector in Participating Jurisdictions and Select Financial Centers (log. scale) ^{2/}1.b. External Assets as a Share of Total Assets in Participating Jurisdictions and Select Financial Centers ^{3/}

Sources: Information Framework; Bank for International Settlements; and Eastern Caribbean Central Bank.

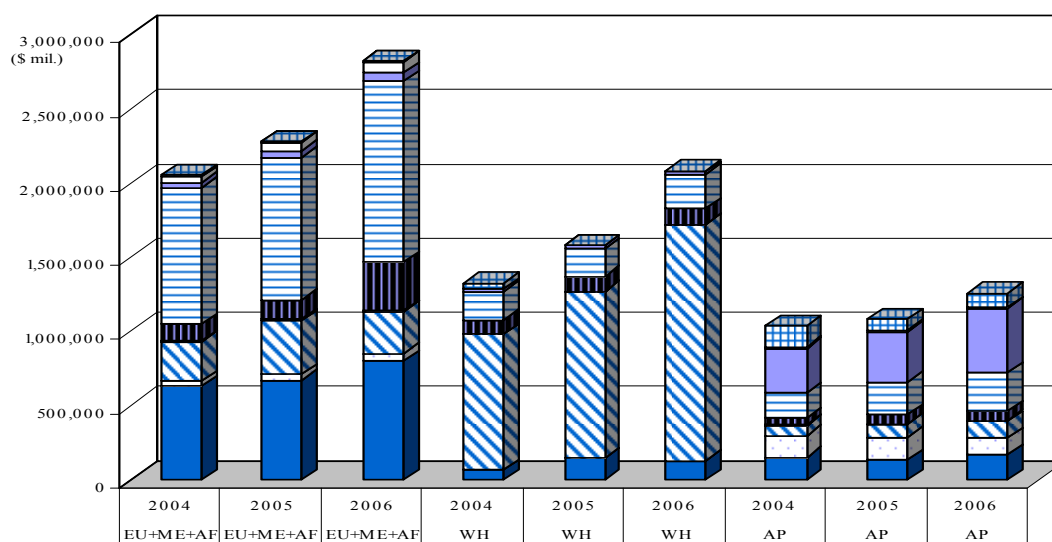
1/ 2006 or latest available. Data on non-participating jurisdictions were obtained from public sources.

2/ The data have been plotted on a logarithmic scale because of the wide dispersion in asset size among jurisdictions.

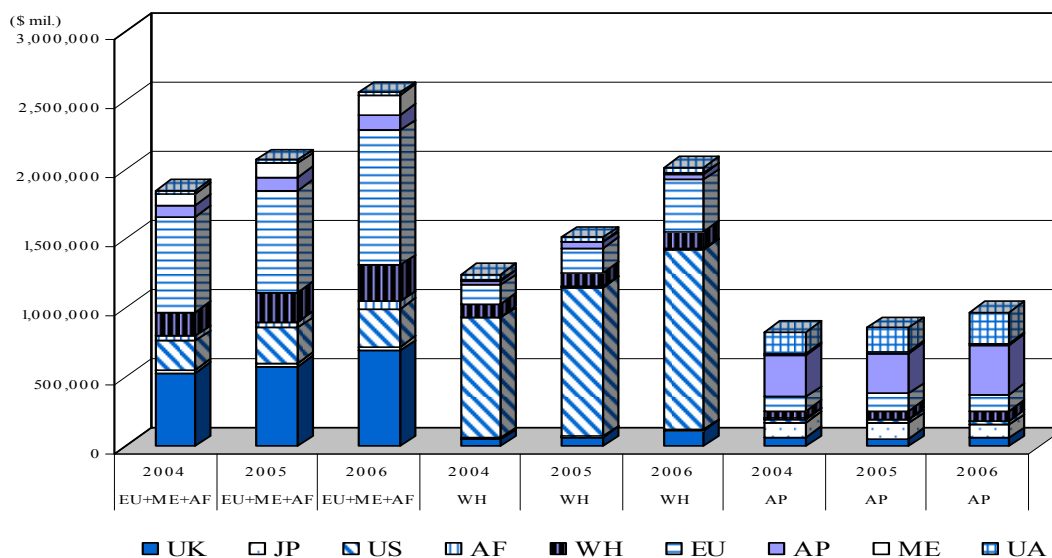
3/ Data on bank assets for Samoa and Gibraltar cover off-shore sector only, and therefore the ratio is not reported.

Figure 2. Geographical Distribution of Banks' Cross-Border Assets and Liabilities (2004-2006)^{1/}

2.a. Geographical Distribution of Banks' Cross-Border Assets of Participating Jurisdictions



2.b. Geographical Distribution of Banks' Cross-Border Liabilities of Participating Jurisdictions

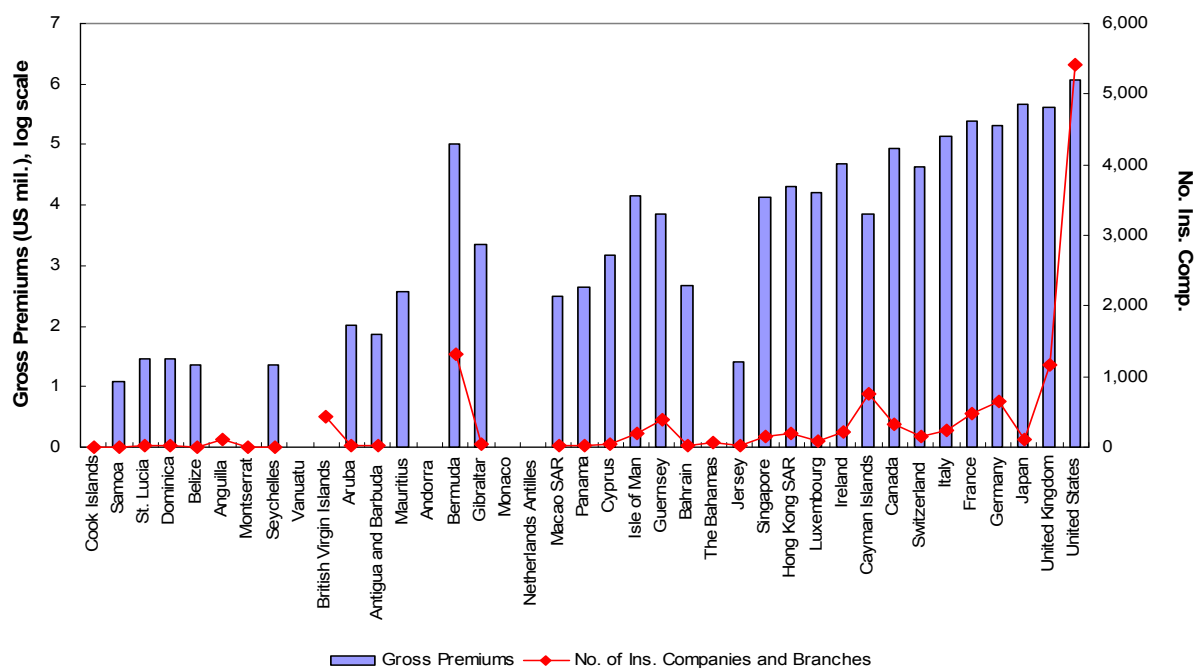
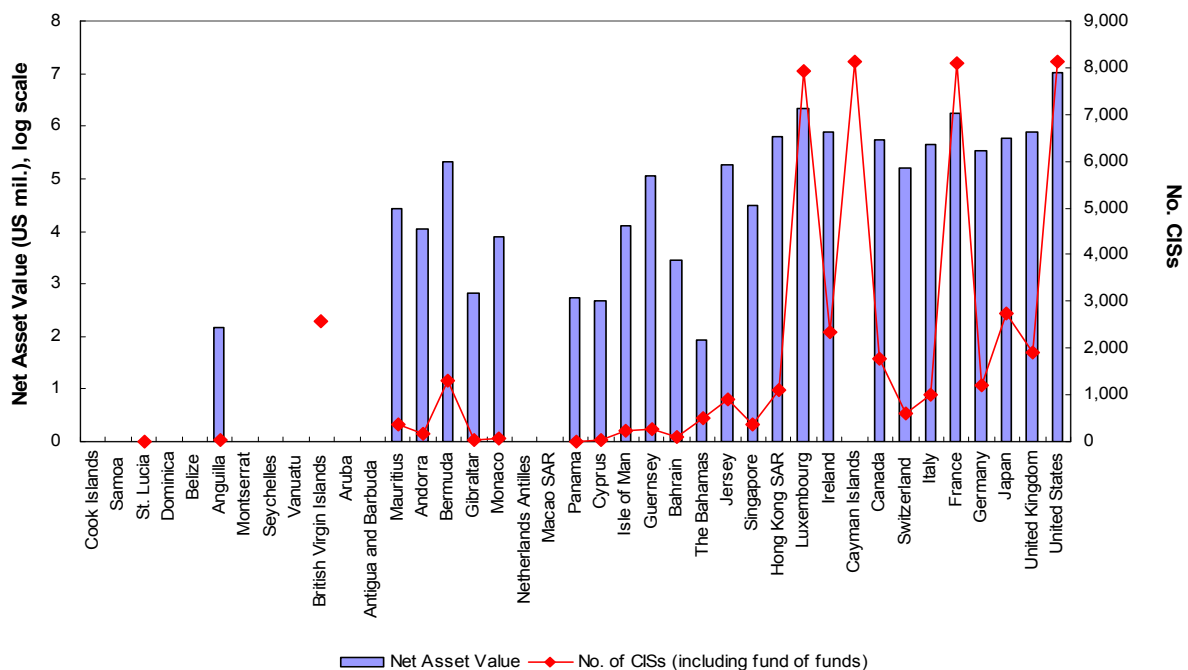


Sources: Bank for International Settlements; and Information Framework.

1/ The reporting jurisdictions are: The Bahamas, Bahrain, Bermuda, Cayman Islands, Gibraltar, Guernsey, Hong Kong SAR, Ireland, Isle of Man, Jersey, Macao SAR, Mauritius, Netherlands Antilles, Panama, Singapore, and Switzerland. They have been grouped regionally as follows: Europe, Middle East and Africa (EU+ME+AF); Western Hemisphere (WH); and Asia/Pacific (AP). The cross-border assets/liabilities are reported vis-a-vis the following countries/regions: United Kingdom (UK); Japan (JP); United States (US); Africa (AF); Western Hemisphere (ME); Europe (EU); Asia/Pacific (AP); Middle East (ME); and unallocated (UA). Mauritius data for 2004 and 2005 only, and Gibraltar data for 2005 and 2006.

Figure 3. Insurance and Collective Investment Schemes Sectors (end-2006)^{1/}

3.a. Size of the Insurance Sector in Participating Jurisdictions and Select Financial Centers (gross premiums on log. scale)

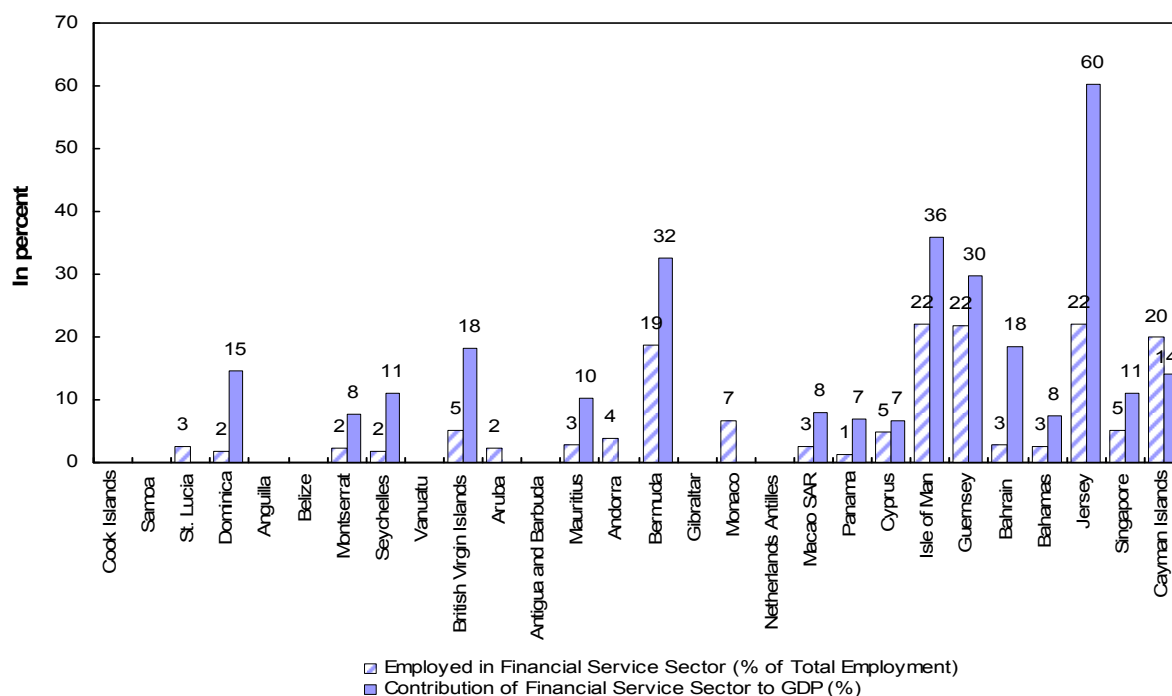
3.b. Size of the Collective Investment Schemes Sector in Participating Jurisdictions and Select Financial Centers (net asset value on log. scale) ^{2/}

Source: Information Framework.

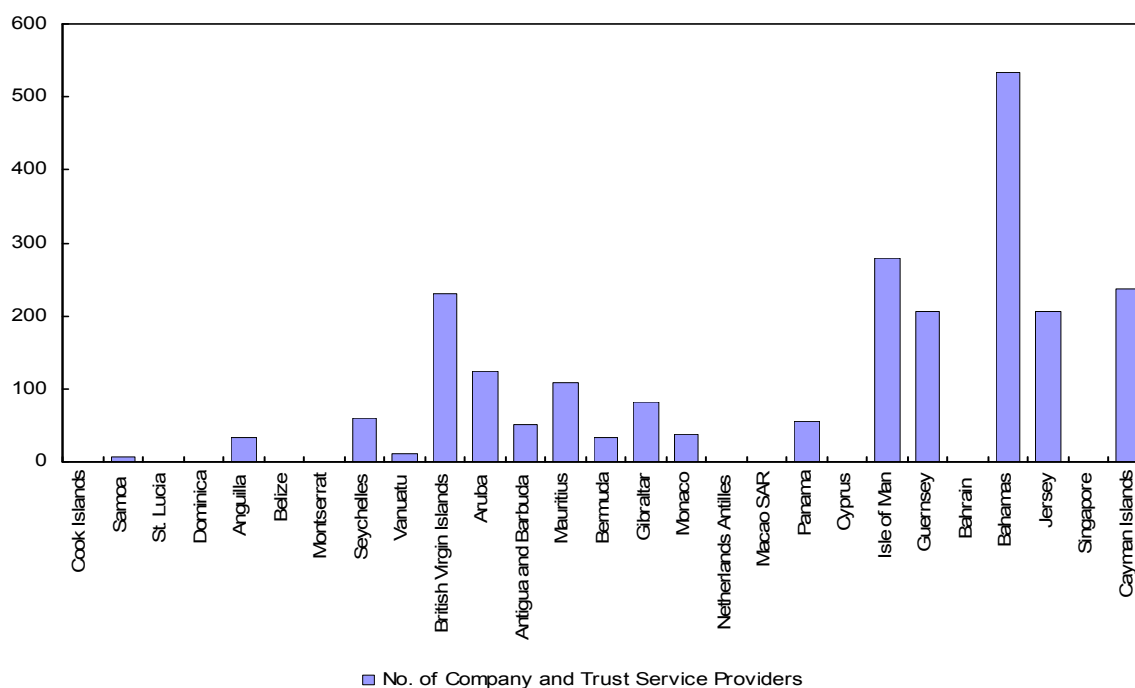
^{1/} 2006 or latest available. Data on non-participating jurisdictions were obtained from public sources.^{2/} The data for Anguilla and Cyprus excludes funds of funds. The asset value for Singapore is on a gross basis.

Figure 4. Other Sectors (end-2006)^{1/}

4.a. Financial Service Sector Contribution in Participating Jurisdictions



4.b. Number of Company and Trust Service Providers in Participating Jurisdictions



Source: Information Framework.

^{1/} 2006 or latest available.