

Rising Star

Asked to build Deutsche Bank Offshore's Mauritius unit from scratch, Asian banking specialist Roger Winfield can now see a wealth of opportunities ahead for both the company and the domicile...

Prior to working for Deutsche Bank, which he joined in 1992, Roger Winfield worked for Lloyds Bank in London and South East Asia, including spells in Korea, Taiwan, Japan and Singapore. Having originally specialised in corporate banking, credit and project finance, Lloyds soon asked Winfield to set up its Singapore-based South-East Asian private banking unit. In 1992 he then moved to Deutsche Bank to head a private banking team that covered the Asian subcontinent, including India, Pakistan, Sri Lanka, Bangladesh and Thailand.

Having accumulated such an in-depth knowledge of banking in the region, it seemed only natural in 1998 that when Deutsche Bank wanted to set up a branch in Mauritius to help facilitate investment in the region, they chose Winfield to establish and manage it. He adds, *"I had been in Singapore for a long time and had no desire to leave, but this was a good opportunity - in a large organisation you don't often get the chance to set something up completely from scratch"*.

It had become clear to Deutsche Bank in the mid-90's that Mauritius offered many interesting opportunities, as it had started to receive increased demand in its Jersey office from corporate clients who wanted to create structures in Mauritius to take advantage of its tax treaty with India. As a result, it set up a managed trust company in 1995 in the jurisdiction which was administered locally by an accountancy firm.

"However, after a couple of years," explains Winfield, *"we realised that the business was picking up and we wanted to make sure that we had the proper structures in place. Hence we decided to take back the day-to-day control of the trust company and put our own people on the ground"*. Having made that decision, Winfield arrived in Mauritius in the beginning of 1999 to establish a new offshore banking unit, which applied for and subsequently was granted a category 2 banking licence. Though it started out with a core staff of six, it quickly expanded to its current total of 20.

His brief, he explains, was to create a company whose focus was two pronged. On the one hand was a core of corporate business - advising institutions on global financial structuring, particularly through use of tax treaties - on the other a distinct private client fiduciary services operation. He describes the company as being a support unit and "one-stop-shop" for the provision of transactional banking services for the trust and corporate structures it manages.

However, the office is increasingly trying to diversify its offering. *"We are starting to attract private banking deposits, plus some structured finance,"* says Winfield, *"mostly due to our Indian Ocean location"*. Indeed though Mauritius in competing with traditional centres such as Singapore and Hong Kong, its unique location - Africa to the west, the Middle East to the north and Asia to the east - means Mauritius has the advantage of being four hours in front of London, can still catch New York, and yet is only four hours behind South-East Asia.

Having been in operation for over three years, the Mauritius branch of Deutsche Bank Offshore has firmly assimilated into the group's global network, which provides the majority of its clientele. Nonetheless, one of Winfield's main roles is selling what

Mauritius can offer internally to the group, which he admits often previously struggled to recognise where Mauritius was, let alone what it could offer.

He adds that in Europe its marketing and networking with law and accountancy intermediaries has been successful, particularly in regards to India. However, he argues that it is time the island and its service providers' focus turned to other parts of Asia. *"Mauritius actually has 26 tax treaties with other countries, including China, Indonesia, Singapore, Malaysia and Thailand. These should be promoted more"*, he states.

He suggests that it is entirely plausible Mauritius could thus facilitate investment and funds through regional hubs like Singapore and Hong Kong into China and the Pacific Rim. *"In addition,"* says Winfield, *"it should not be forgotten we have Africa on our doorstep. The jurisdiction is in all the various regional trade groupings, and though there are very few economies in Africa that are currently doing well, Mauritius does stand out as a beacon of stability, both politically and economically."*

Indeed, proof of this solidity was offered during Mauritius' recent general election in 2000 - resulting in a change of government that was considered free and fair - a notable rarity for the region.

This stability has undoubtedly spurred the development of the international financial service industry, which, up to 2001 - often considered 'the first phase' of the domicile's development - had rapid growth with in excess of 80 management companies and 14 offshore banks registered.

Now Winfield firmly sees the jurisdiction as in 'phase two' - *"the new legislation is in place with updated Companies and Trust Acts, the creation of the FSPA and FSC, and the reworking of the entire regulatory environment, including anti money-laundering legislation and a Prevention of Terrorism Act. All of these have given us the tools to jump to the next level - this jurisdiction has come of age"*.

Winfield and his staff aim to take advantage of that by developing the potential of Deutsche Bank's Mauritius operation in two principle areas. As Mauritius has lower living and production costs than traditional centres like Jersey, Guernsey, Cayman and Dublin, plus ample affordable office space combined with a highly educated and skilled populace, the island has vast potential for offering back office outsourcing services. *"We are identifying a number of functions that we could perform for our group, such as simple account services,"* says Winfield. *"We could easily hire the expertise locally and build a team that can provide such services to the group. From there, the services offered could develop."*

Deutsche's second goal is to develop its private client trust business, following the current legislative review of the jurisdiction's trust legislation. Longer term, a full private wealth management service will be considered. Winfield believes the jurisdiction has great potential in this sphere as though it is not a private banking centre, its cultural mix means it can appeal to many countries in the Asian region.

Indeed, Winfield emphasises Mauritius' successful and peaceful integration of cultures and countries - although this island is part of Africa politically and geographically, there is a strong Asian cultural influence. Given 70% of Mauritians are of Indian origin, that culture is the most prevalent, however, there is also an undeniable Oriental and North Asian influence from Singapore, Hong Kong and China. Added to that is the African flavour, plus the European influence from the descendants of the original settlers from France.

"Another strength", emphasises Winfield, "is the high standard of literacy and education. This means that we have no problem in finding highly professional and multi-lingual staff".

Winfield can thus state with confidence that the future looks bright - he cites substantial investment by the government in the business infrastructure, particularly in e-commerce and telecommunications, as a firm indicator Mauritius has the potential to develop fast. Combined with the skills and expertise offered by the Deutsche Bank group, Winfield can be assured that the unit he was asked to create will bloom and flower.