

Living & working offshore: A guide for lawyers

Bermuda | BVI | Cayman



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Introduction

The leading offshore financial centres of Bermuda, the British Virgin Islands and the Cayman Islands share the characteristics of low tax, a common law legal system, the benefits of a Caribbean-style climate and proximity to the United States.

In recent years, the sector has seen firms in the Caribbean merge with Channel Islands practices to create cross-jurisdictional giants that have since expanded into Asia, the Middle East, Europe and South America.

If you're considering a move offshore, this puts you in the enviable position of being able to develop a continuous career path within a single firm, whilst being able to achieve this in a wide choice of desirable destinations.

In this guide, we explore what working offshore is really like, and focus on three of the main jurisdictions where there are proven career possibilities for expat legal professionals: Bermuda, the British Virgin Islands (BVI) and the Cayman Islands.

Legal work in Bermuda and the Caribbean

Leading international financial centres such as the BVI, Cayman and Bermuda play a vital role in promoting and enabling international finance and trade, and are often positioned at the heart of global cross-border transactions. As such, legal professionals relocating to any of these Islands can expect to be involved in high profile, complex and sophisticated transactions or disputes from the outset.

Lawyers will typically advise on specific, highly technical points of law, which are critical to a wider case or deal. The volume of matters on which you advise may be greater than at home, though the number of elements that concern you on each may be fewer. You may therefore need to be comfortable with taking a more peripheral role rather than being at the core of a project, though your personal responsibility can actually increase. Both decision-making and prioritisation skills are highly prized assets.

In terms of long-term career path, many legal professionals find that they enjoy the challenges of the workload and the quality of life, and after a time the thought of returning onshore can lose its appeal. Choosing to build your career offshore, you might find that you will work your way to Partner level or take advantage of the option to relocate after a period to another desirable offshore destination such as in the Channel Islands, elsewhere in the Caribbean, Dubai, Hong Kong or Singapore.

The financial benefits of earning a tax-free salary are self evident, especially if a medium/long-term career move is planned. You should be aware, however, that cost of living (for example, rent) on the Islands does not come cheap. That said, the balance works in your favour: capital accumulation is a popular reason for choosing to relocate.

Another major incentive for professionals to make the move, beyond the work experience and tax-free benefits, is quality of life.

However, it would be wrong to think that long hours are not on occasion demanded as the *quid pro quo*, particularly as your career advances, and in that regard, it is very similar to working onshore. That said, you can be assured that your commuting time home will be significantly shorter than it is back in London.

I: Bermuda

Bermuda is one of the leading offshore centres and is well known for (re)insurance, financial services and e-commerce. The well-structured regulatory environment attracts international businesses looking to establish funds or structure finance deals offshore, as well as list on their stock exchange.

Leading Bermuda law firms such as Appleby or Conyers Dill provide advice on Corporate, Finance, Funds, Insolvency, Trusts, Private Client and Litigation/Dispute Resolution matters, and expatriates are recruited for all of these practice areas. Other firms have also opened up new offices.

You will typically receive top-quality instructions from a blue-chip international client base and work regularly alongside colleagues in the premier level of UK and US law firms.

Notwithstanding the requisite responsibilities involved, professionals at Bermuda law firms work a better balance of hours, allowing for a more regular working day with time to enjoy the Island's sub-tropical climate, superb beaches and social activities. And for those who enjoy weekends away, cities such as New York, Boston and Toronto are only a short flight away.

While cost of living is relatively high in Bermuda, packages are highly competitive. Add to this the fact that there is no income tax and it makes for an attractive career move for those seeking career advancement, great work experience, the opportunity to save for the future and a superior work/life balance.

II: The British Virgin Islands

The last decade has seen huge growth in the BVI's legal sector with leading local player Harney being joined by giants from other offshore jurisdictions such as Ogier, Walkers, Maples & Calder and Conyers Dill. Other recent arrivals are Carey Olsen and Bedell Cristin.

Many firms will offer BVI expertise out of their other offices (in particular, Hong Kong and London) so, whilst the personnel physically based in Tortola can be relatively small, the 'BVI team' sported by these international firms will be larger.

Opportunities most often arise in Corporate, Banking & Finance, Commercial Litigation/Dispute Resolution, Insolvency and Trusts areas. The funds market in the BVI has been growing, leading to an increased demand for specialist expertise in this space; whilst in Cayman many roles require Funds expertise alone, in the BVI it is much more likely to be a component of a broader transactional practice.

Leading firms pay well and even lawyers moving from a top London firm can gain financially, especially when you factor in the favourable tax rate and cost of living is lower than in comparable jurisdictions such as Bermuda or the Cayman Islands.

Practising law in the BVI entails gaining admission to the local Bar, the BVI section of the Eastern Caribbean Supreme Court. This means that you will be working under BVI law rather than English law, though in reality they are highly similar and it will not take long to become familiarised.

As is often the case in other Island locations, the most common move is made with 3-6 years' PQE. That said, the maturing of the market has been accompanied by an increase in demand for more senior candidates, especially those with highly marketable offshore experience.

In terms of required background for a successful move, some BVI law firms will only look at Magic Circle or top US firms, whilst others will consider applicants from more mid-level City practices.

III: The Cayman Islands

The finance sector in Grand Cayman has grown rapidly in recent decades, in particular after a new Mutual Funds Law came into being. Together with the favourable tax rate, this triggered huge growth in Cayman's financial services economy.

Leading law firms in the Cayman Islands have traditionally included Walkers and Maples & Calder but in recent years the growth of the offshore legal sector has led to an influx of new players: including Appleby and Conyers Dill originally from Bermuda, and Ogier and Mourant from the Channel Islands, as well as Harneys from the British Virgin Islands. Amongst others, additional boutique law firms include Solomon Harris and Ritch & Connolly.

Cayman is certainly highly differentiated from London or New York in terms of lifestyle but there are major similarities in terms of the actual work. For example, the clients and cases will be similar, and frequently your office will be instructed by major onshore firms in terms of generating opinions in specialised, technical aspects of offshore law. The nature of the business is wholly international and, London and New York aside, growing sources of work include China, Latin America, the Middle East and India.

Given the nature of the firms' main activity, career opportunities will arise in the areas of Funds, Banking & Finance, Corporate, Commercial Litigation, Insolvency and Trusts.

Experience gained in a top Cayman law firm is highly regarded, whether back in London, in another offshore jurisdiction or in-house. And the nature of the market is such that you will get extensive exposure to Funds or financial services clients, a sector which remains in high demand globally.

Working hours

Don't assume that life in the office will be more relaxed than in your present position.

The key difference compared to onshore work is the need to handle multiple matters simultaneously, which can be a big change for those more used to working on a single deal for extended periods. There may also be more legal analysis rather than transaction management work.

That said, a favourable work/life balance is generally far more achievable compared to life in London, with more predictable working days and billing goals. Combined with minimal commuting times and the natural advantages of the Caribbean lifestyle, it makes for a very good life indeed.



Financial benefits

How much you earn and save will depend on where you work, the firm you join and your level of post-qualification experience.

In Bermuda, the British Virgin Islands and the Cayman Islands, for example, salaries for Associates with leading firms have been known to exceed those at Magic Circle and tier-one US firms in London. Whilst the remuneration packages on the Islands inevitably vary from firm to firm, the typical remuneration package comprises a generous base salary plus a discretionary bonus, which is often correlated with client billings.

The major financial incentive for most lawyers considering a move offshore is the saving to be made from not having to pay income tax, and this is undoubtedly a very attractive aspect of the offshore experience.

At the time of writing, income and government payroll taxes in the leading jurisdictions are as follow:

- Bermuda: 0% income tax, 5.5% payroll deduction
- British Virgin Islands: 8% income tax, first US\$10,000 is exempt
- Cayman Islands: 0% income tax
- Channel Islands: 20% income tax

Up to date salary and cost of living information can be found on our site.

Qualifications

To practise law in Bermuda or the Cayman Islands, you must be admitted and have practised in a Commonwealth jurisdiction. Unsurprisingly therefore, most of the expat lawyers in these locations come from countries such as the United Kingdom, Canada, Australia, New Zealand and South Africa.

To practise in the British Virgin Islands, you must be admitted as a solicitor or barrister in England & Wales, and therefore the majority of successful candidates come directly from the United Kingdom.

In the Channel Islands, you are permitted to practise provided you have Commonwealth experience. Lawyers with long-term plans to reside in the Channel Islands may also choose to gain admittance to the local bar.

In order to become 'Jersey qualified' you must have practised law on the Island for 2 years and sat a set of six exams; to become 'Guernsey qualified' you must have practised law there for 3 years and also sat a series of exams.

Post-qualification

To successfully find a position in Bermuda, you will need to have 3+ years of post-qualification experience as a starting point.

In the BVI, there is a requirement from 2014 for 3 years' PQE, which is planned to rise to 5 years' PQE in 2015 under the Legal Professions Act.

In the Cayman Islands, you will need to have 3 years' PQE.

For strong candidates, many firms will interview candidates at the two-and-a-half year mark with a view to employing them shortly after they achieve 3 years' PQE so it's worth applying to us sooner rather than later.

Offshore firms in other jurisdictions such as the Channel Islands, Hong Kong and Singapore will often consider newly-qualified lawyers, provided training contract experience is relevant in the specific opportunity.

Work permits

All the Islands require expatriate employees to possess valid work permits. Your employer will guide you through the work permit process, and applications for these are made on your behalf by the firm. Visas are awarded relating to a specific position with that firm.

A legal spouse can be registered as a dependant on your work permit in order to reside with you on the Island. However, be aware that unmarried partners are not permitted to reside without having employment and a work permit of their own. For reasons of practicality, this sometimes encourages couples who have not yet taken the plunge to accelerate their marriage plans.

In Jersey and Guernsey, work permits are not needed for UK and EEA passport holders, and Commonwealth citizens may be exempt if they qualify for a UK ancestry visa. All other professionals seeking to live in the Channel Islands are required to obtain a Skilled Worker Visa.

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