INTERNATIONAL LAW QUARTERLY

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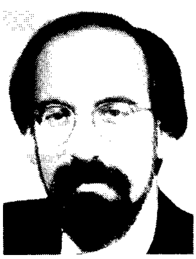
Chairman's Message



The International Law Section has entered into its sixth year with an aggressive and ambitious agenda of programs devoted to the challenging issues which confront us as international practitioners and members of the Bar. All members of the Section should actively participate in the activities of at least one committee in order to be aware of emerging new issues, to influence important developments affecting our legal practice and, of course, to meet other international lawyers with similar interests. Our CLE programs and one legislative issue should be highlighted.

CLE Proqrams.—The cornerstone of the Section activities is creation of a meaningful educational program for Bar members. The quality and range of international law topics covered in Section programs will become increasingly critical as the Bar implements on January 1, 1988 its new policy of ***mandatory*** continuing legal education programs for all members of the Bar. In past years, our Section has met the educational challenge by presenting new issues and ideas through this ***Quarterly*** and by holding a series of seminars which have embraced a broad range of international legal areas. The seminars have consistently achieved high ratings from the participants.

The programs planned for this year build on the past and establish a comprehensive master calendar under which the Section will hold annual programs on the most important areas of international practice in the State of Florida: International Tax, International Commercial Law, (including trade regulation and banking) and Immigration. Our recurring programs will also focus upon two geographic regions of great significance to Florida practitioners: Latin America (scheduled December 3 and 4, 1987) and Can-

Florida's New Sales Tax on Services - International Considerations - Part II

by Jonathan H. Warner

Editor's Note: As this issue is going to press in late September, the entire issue of sales tax on services is being reviewed by the Legislature. Consequent legislative changes may make all or part of this article inapplicable.

The new Florida sales tax on services became effective on July 1, 1987, after passage of a "glitch" bill (CS/HB 1506) that patched over many of the troublesome areas of the initial legislation, particularly in the international arena. Several provisions of the earlier legislation favored out-of-state service providers over their Florida counterparts, as pointed out in Part I of this article in the July issue of this magazine.

First, the blatant discrimination against foreign service consumers has been reduced. Only services enjoyed in another state of the United States were exempted by the initial legislation,

continued, next page

INSIDE:

CHAIRMAN'S MESSAGE

from preceding page

ada (scheduled February 25 and 26, 1988). In addition, this year will be highlighted by a National Institute jointly sponsored with the ABA which will focus upon International Dispute Resolution, emphasizing the potential for Florida as a new center for international arbitration (November 5 and 6, 1987).

Each member of the Section should make a point of attending at least one of the seminars offered by the Section during the next year. The seminars not only provide meaningful information to the practitioner, they also afford an opportunity to meet with other members of the Bar interested in the same issues which affect your practice and your clients.

Legislative Issues—The Executive Council of the Section has charted an aggressive course for the next year on other matters also of broad significance to Florida Bar members. We are actively supporting proposed State legislation which would simplify and ease procedures for domestication of foreign corporations. This legislation is patterned after laws adopted in Delaware which have made it an ideal state for such corporate activity. The need for a similar Florida statute became apparent when our tax treaty with the Netherlands Antilles was temporarily terminated earlier this year, causing many of the affected foreign corporations to consider re-locating to the United States. Their decision-making would have led many if not most of those corporations to relocate to Delaware, even if they actually owned real estate in Florida or otherwise found Florida a logical place to relocate.

The streamlined legislative lobbying procedures developed by the Bar under the leadership of legislative Committee Chairman Stephen Zack have made it possible for Sections to more reasonably and effectively identify and respond to such emerging legislative issues. During the course of the year, the Section expects to listen attentively to such issues raised by Section members and to respond effectively where appropriate.

Gilbert Lee Sandier

This newsletter is prepared and published by the International Law Section of The Florida Bar.

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SALES TAX

from preceding page

and a nonresident alien individual or foreign business purchasing services from a Florida provider would not have qualified for the exemption. Now, the criterion for full or partial exemption, as explained further herein, is whether the service is deemed used outside Florida. Whether the deemed use is in another state or overseas no longer matters.

The glitch bill also addressed a problem involving individual consumers of services. As initially passed, the new law would have allowed even a resident of Florida to purchase services tax-free from an an out-of-state service provider so long as the services did not relate to Florida real estate and were performed outside Florida. Under the glitch bill, a non-real estate service performed out-of-state will be deemed used in Florida and therefore taxable *if* the service is represented by tangible personal property forwarded to the consumer in Florida. Vice-versa, if the tangible personal property is forwarded to a nonresident consumer out of Florida, the sale is exempt. For this purpose, tangible personal property includes a memorandum, an opinion letter, a will, a tax return, or any other item which is the result or product of the service. On the other hand, invoices, bills or other items which are merely tangible evidence of the sale are not treated as tangible personal property for this purpose. If this new rule does not apply, then a non-real estate service is deemed enjoyed where performed, based on costs of performance.

A number of other substantive changes were made by the glitch bill, particularly in the provisions covering the construction and advertising industries. Advertising continues to be a particularly controversial subject.

The glitch bill also took a second look at the broad enforcement powers granted to the Department of Revenue in levy and seizure matters. Those powers have now been reduced in scope, and many of the felony provisions of the initial legislation have been changed to misdemeanors.

With the foregoing changes, and with clarification that the tax is intended to be uniformly enforced as to multistate customers through a self-assessment procedure, the playing field theoretically has been levelled even further. For most consumers, it should not matter whether a particular service is purchased from a Florida provider or a non-Florida provider. However, some Florida service providers have expressed doubt about the enforcement aspects of the tax, since sales of services may not be as susceptible to audit detection as sales of goods, particularly in the case of individual consumers. If enforcement (particularly in the multistate business consumer sector) is lacking, Florida service providers would be rendered less competitive. The amended statute depends heavily on self-assessment and payment by multistate and multinational enterprises. While this makes tax administration and compliance easier for the Department of Revenue and taxpayers, it leaves open the possibility of noncompliance on a major scale.

Registration Forms for Multistate Business. Companies that do business in Florida and elsewhere should obtain a Certificate of Registration (Form DR 11-7) from the Department of Revenue by filing Form DR-1 (Revised, July 1987) or Form DR-1 EP, appropriately completed. This will allow the multistate business to self-assess the tax, and avoid the inherent difficulty of paying tax at point of purchase of each service. Businesses that have no nexus in Florida and individuals not resident in Florida claiming that a service being purchased is exempt have the choice of either obtaining an Exempt Purchase Permit for Out-of-State Businesses and Nonresident Individuals (Form DR-14P, obtained by filing Form DR-I or Form DR-l EP, appropriately completed) or providing an Exempt Purchase Affidavit at the time of each service transaction. In both cases, the purchaser is required to consent to Florida jurisdiction for purposes of enforcement of sales tax on the transaction.

Rulings by Department of Revenue may help. The Department of Revenue is encouraging taxpayers with questions as to the application of tax to submit written requests for Technical Assistance Advisement, valid through December 31, 1987. Emergency Rule 12 AER87-91 indicates that the Department will respond to requests even though the Technical Advisement Assistance procedure is normally restricted in connection with newly enacted legislation.[1] Apparently, the DOR will respond to inquiries even though the taxpayer is not named.[2]

As of this writing, the tax has only been effective two months, and the first returns have just been filed. Florida businesses are just now beginning to perceive the administrative difficulties inherent in the new tax and the many unanswered questions as to the application of the tax to particular industries or to particular subsections of industries. The Florida Supreme Court's recent advisory opinion upholding the new tax may be only the first round of a plethora of litigation.

Please see Footnotes page 4

Jonathan H. (Jason) Warner is a shareholder in the law firm of Fowler, White, Burnett, Hurley, Banick & Strickroot, P. A., in Miami, Florida. He received his J. D. degree from Columbia University School of Law where he was Managing Editor of the Columbia Journal of Translational Law. He received a B.A. degree from Louisiana State University, graduating with honors. Mr. Warner has served as Chairman of the Foreign Tax Advisory Committee of the Tax Section, and has coordinated that Committee's project proposing a reform of the system by which the United States taxes estates and gifts of foreign persons. He was also a principal participant in the Tax Section's FIRPTA Withholding Tax Project. He is former Special Project Committee Chairman of the Tax Section and has coordinated several continuing legal education programs for the Tax Section. Mr. Warner currently serves as the Vice Chairman of Division V (Federal Tax) of The Florida Bar's Tax Section. He is a member of the Executive Committee of the International Center of Florida, and former co-chairman of the International Florida, and former co-chairman of the International Florida, and former co-chairman of the International Center's Florida Investment Committee. Mr. Warner has been an author and speaker for numerous seminars presented by The Florida Bar's Tax, International Law and Immigration Law Sections, ALI-ABA and others.

from preceding page

Footnotes:

[1]iSee, Florida Administrative Code Rule 12-11.10.
[2]An anonymous source in the DOR has pledged to respond even to the proverbial "crayon on tissue paper" request, in an effort to assist taxpayers. In the writer's experience, however, the use of lined paper gets faster results. Identifying the taxpayer also enables more precise use of the response.

ERRATA

Please note that the author of "New Florida Sales Tax on Services – International Considerations" in the July 1987 issue of the ***Quarterly*** was authored by Jonathan H. Warner of Miami, Florida. Our sincere apologies to Mr. Warner for the omission of his byline.

Diplomatic Immunity: An Overview

by David P. Rowe and Michelle A. Matalon

Traditionally, diplomatic immunity has been defined as the liberties granted under international law to presiding and traveling foreign officials, their families and their domestic servants. When complications arise, this immunity affords the official inviolability of his person and his property and protects him from the jurisdiction of the state to which he is accredited. In his highly regarded treatise on diplomatic immunity, William Barnes states that the United States has recognized and applied this doctrine since 1776 and the decisions of its courts and governmental policies have helped to clarify the concept.[1] The privileges and immunities of certain recognized officials arise primarily through treaty, federal statute and international agreements. These are then modified by custom, courtesy and the strong desire to avoid political disharmony.

The Vienna Convention of 1961 is the foremost treaty on diplomatic immunity. It has been signed by at least 145 nations and was ratified by the United States in 1972. The document consists of 53 articles which define the concept of diplomacy and state the specific privileges and immunities accorded to diplomats.

Procedurally, the treaty specifies that a foreign government must notify the new host state of the names and titles of all staff members and their families and servants (Article 10). The host state may reasonably refuse to accept officials of a certain category (Article 11). Article 14 divides officials into ambassadors or nuncios, envoys, ministers and inter-nuncios and charges d'affaires. No differentiation is made to these officials as to their class and all are afforded the same complete immunity and are procedurally treated alike. The host state's duties extend to providing the dignitary with an official premises and private accommodations (Article 21). The treaty then details the specific privileges and exemptions enjoyed and invokeable by the officials and their families. These privileges are discussed in Section III. Article 38 is concerned with foreign representatives who are permanent residents of the host state and allows them only a "limited" immunity.

Limited or restricted immunity applies to those officials who are nationals or permanent residents of the host state who, in their official capacities, act on behalf of a foreign government. Except as concerning public acts, these diplomats (e.g. honorary consuls), are subject to the same jurisdiction and laws as a citizen of the host country. Additional privileges and immunities may be granted in special agreements by the government being represented and the host state (Article 38). Section 7b of the International Organizations Immunities Act of December 29, 1945, provides that all members of public international organizations of which the United States is a member and their officers and employees are also immune when acting in their official capacities. This has been extended to at least twenty organizations with branches or headquarters in the United States including the United Nations. Similar treatment is also accorded to consular officers, but as a matter of comity, such officers are usually not prosecuted for minor transgressions.[2] The host country, in order to promote international harmony, must do everything within its control to ensure the uninterrupted functioning of accredited diplomatic staff. Consequently, arrest or unnecessary embarrassment to the foreign government is usually avoided.

This treaty is universally recognized as binding on all nations who have ratified it. However, because this document is intended to apply to many states, it covers a broad spectrum of diplomatic relationships and its language is quite vague. This extensive coverage prohibits the document's application in specific or localized situations and provides only a general outline which may not be outcome determinative in a suit. Further understanding and review of the codified laws of each host country to which the diplomat is posted is therefore vital. The United States has recognized this and to avoid complications, has enacted the Foreign Sovereign Immunities Act.

The Foreign Sovereign Immunities Act was enacted in 1976 by the U.S. Congress to clarify the Vienna Convention and as an amendment to the "absolute" immunity that had prevailed until 1952. In 1952 the State Department issued the first "Tate Letter" which adopted the "restrictive" theory of immunity. Restrictive immunity distinguishes between a diplomat's official duties in which he was granted immunity and his private or commercial activities in which he was not.

§1602 of the Act sets forth that foreign officials are not granted immunity where their commercial activities or personal property acquisitions are concerned. The principal purpose of this chapter is to depoliticalize immunity decisions by transferring them from the executive to the judicial branch. This tends to assure litigants of concrete legal foundations rather than political bias.[3] It is important to note that this chapter of the Act creates a federal method of obtaining jurisdiction of the person of the diplomat although he is not a resident of the host state (i.e. a long-arm statute).

§1603 defines the term "commercial activity" as either the regular course of commercial conduct or a particular commercial transaction. The commercial character of an act is determined by the "nature" of the act rather than its "purpose." The commercial activity must also have "substantial contact with the U. S." Specifically, this means that such activity although commercial in nature may be allowed immunity if the dignitary can show a merely transitory or coincidental relationship between the act and the United States. Procedurally, this chapter is significant as it declares sovereign immunity to be an affirmative defense. This makes it imperative for the official to raise it in the answer to a complaint against him or his government. If not raised in this manner at the onset of the trial, this defense may potentially be waived.

§1605 is the most influential and controversial part of this act. It refers to governmental exceptions to the jurisdictional immunity of a diplomat. It also outlines the exceptions of waiver of the immunity by the foreign state to allow an official to testify in or initiate a law suit. However, this section also indicates that if a foreign government files suit, it is subject to any additional claims filed against them by others that are directly related to the suit. Equally important, this section allows no immunity to foreign states in suits involving money damages for personal injury, death or property damage. The exceptions to this rule are cases involving libel or slander or discretionary functions of the official. Technically then, the foreign state can still claim immunity if the tortious conduct involves acts of a fundamentally governmental nature. Nonofficial commercial acts (i.e. those not related to the diplomat's state functions), are generally not immune. Therefore, acts entered into by a diplomat for personal profit are clearly commercial and as such do not qualify for the protection of the doctrine.

Once the Department of State has recognized a diplomat, his name, rank and address are sent to the Office of Protocol. The Office of Protocol is a subdivision of the Department of State that deals with the administrative procedures of recognition. One of these procedures is the publishing of the Blue, White and Brown Lists. The Blue List contains the names of all high ranking ministers including ambassadors, attaches and charges d'affaires and their families. The White List recognizes the administrative and technical officials and their immediate families. The Brown List contains all names and titles of consular officers and their families.

Legally, these lists do not automatically confer diplomatic immunity to any person whose name they contain. However, they do help to ascertain the exact immunity accorded an individual. For example, if a diplomat is stopped by a police officer and his name is on any of the lists, although he may be given a citation, he may not be arrested or detained due to inviolability of his person. Administratively, these lists help keep a daily count of the amount of embassies and consulates throughout the United States and the number of people employed by them. The lists are published three times a year and are often used as informative or reference guides by the public and other ministry officials. While it should be noted that the lists are changed daily and may not be completely accurate, the Office of Protocol can be contacted for immediate verification and information.

The following information pertains to the specific privileges and immunities enjoyed by accredited foreign officials as outlined by the Vienna Convention. These may be modified or ex-

from preceding page

tended through agreement with the United States and organizations or other countries. Pertinent special references to such changes will be noted.

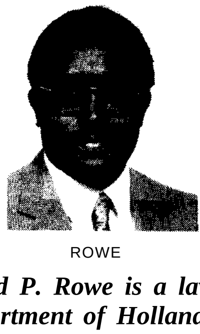
Before discussing specific privileges, it is essential to note that all foreign officials are expected to obey and respect the laws of the host state and not to interfere with that state's internal affairs or public safety. The premises maintained on behalf of any foreign government may not be used in any manner violative of international law or special agreements (Article 41). Therefore, the Department of State has recently allowed potential indictment proceedings against officials who have flagrantly contravened the U.S. laws. Although this indictment must give way to any present immunity, once the immunity has been removed, or the diplomat has been declared persona non grata, he may be subject to the jurisdiction of the United States. This may occur if he returns to the territory or is apprehended in any state with which the United States shares an extradition treaty.

Generally, every official entitled to immunities shall be granted them the moment he enters the new territory. If already present in the state, immunity and privileges are acknowledged when the Ministry for Foreign Affairs is notified (Article 39). If the diplomatic agent is in transit to his new position or returning to his home country, he is authorized to invoke the privileges and any immunity due his rank. The same applies to any immediate family members traveling with the diplomat or separately (Article 40).

The specific privileges and immunities can be generally categorized into civil and criminal jurisdiction; inviolability of person and premises, tax exemptions and courier immunities. Article 31 of The Vienna Convention allows the diplomat immunity from the criminal, civil and administrative jurisdiction of the host state. While such official may be immune from arrest and trial he may still be ticketed by police officers for traffic violations and potentially indicted. A diplomat is also not obliged to give evidence as a witness though he may opt to do so. This immunity also extends to family members and staff so recognized by the host country.

Waiver of any or all of these privileges or immunities may be expressly given by the foreign government, Express waiver technically means in written form but in special circumstances or crisis an oral waiver may be accepted. This is especially so where public or internal safety of either country is concerned. The U.S. Department of State in order to accredit all relevant foreign personnel will acknowledge the names presented to them by the foreign government and will issue the diplomats certification of recognition and usually credential cards. The foreign officials will also have to obtain an A visa. According to the authors of International Law and Business,[4] representatives of foreign governments or organizations are accorded "non-immigrant" status and their period of stay is governed by the Department of State. Non-immigrant status is granted under 8 U.S. C. §1101(a)(15)(A) which divides the A visa into 3 subcategories: A-1, A-2 and A-3. An alien may be admitted to A-2 or A-3 classifications only on a reciprocity basis with the diplomat's home state. Officials of governments not recognized by the Secretary of State (or the President), and those who are proceeding to or through the United States on official missions or to conduct business with international organizations, are granted B, C or G-3 visas.

The benefits and functions of diplomatic immunity dictate that utmost care and respect be afforded a visiting foreign official. This does not de-emphasize the importance of compliance with the host country's laws and regulations. Although such an official may not be arrested, tried or punished for malfeasance of any kind the United States may apply all or any one of three sanctions. First, a formal complaint may be sent to the foreign government which is either directly or indirectly responsible for the diplomat's con-


ROWE


MATLON

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duct. Secondly, the United States may draft a formal request to that government informing them of the United States' wish that he be recalled. And, finally, if the offense is serious enough, the United States through the Department of State may officially declare the diplomat "persona non grata" and issue an order for him to leave the country immediately. The persona non grata sanction has been applied very rarely to avoid tension between the foreign and host countries and retaliation by a foreign government.

In summary, the current laws on diplomatic immunity both internationally and in the United States are constantly undergoing changes as new situations arise. In the United States, the Vienna Convention and the Foreign Sovereign Immunities Act are still the most widely accepted laws in this area. Each host country, however, may emphasize different articles of the Convention and develop or restrict the privileges accordingly.

In essence, the doctrine of diplomatic immunity will continue its existence as it has for centuries as long as diplomats do not abuse the privilege granted them and reciprocal respect for each country is not abrogated.

Footnotes

[1] Barnes, William, "Diplomatic Immunity From Local Jurisdiction," 43 Dept. State Bulletin, p. 182 (1960).

[2] *Ibid.* p. 181.

[3] *National Airmotive Corp. v. Government and State of Iran,* 499 F. Supp. 401 (D.C. D.C. 1980).

[4] Fragomen, Del Ray, Bernsen, *International Law and Business, vol. 1* sect. 2.6 p.2-150 (N.Y. 1986).

Counseling the International Client on Alternative Countries of Residence: Costa Rica, Dominican Republic, Mexico

by Joseph B. McFarland

Obtaining a visa for temporary or permanent stay in the United States can be a major short-term or long-term hurdle for many foreigners. Inability to fit into a preference category or to meet specific requirements for temporary work visas may oblige foreigners to either return to their native lands or to seek alternative countries of residence. Some may wish to be located close to the United States in order to visit or to be visited by relatives and friends in the U. S., as well as to conduct business in the U.S. market.

Within the Caribbean and Central American regions, Costa Rica, the Dominican Republic and Mexico stand out as countries which share conditions appealing to possible residents. These conditions include accessibility to the United States, considerable economic and political stability, opportunities for an attractive lifestyle at reasonable cost, and a favorable attitude towards self-supporting foreign residents

Costa Rica

Costa Rica has long attracted American and other foreign residents such as Chinese, Lebanese and Iranians. Under Costa Rica's Pensionado/ Rentista Law 4812,1 a method has been provided for residency based on guaranteed pensions ("pensionado") or annuities. In the case of the resident "rentista" (or annuitant), the "rentista" must do one of the following (1) Invest in a five year Certificate of Deposit in one of the national banks of Costa Rica so that monthly interest income of no less than $600.00 is generated. To maintain residency, the C.D. must be renewed every five years, or (2) Provide a letter from a bank outside Costa Rica stating that irrevocable monthly sums of $1,000 will be paid to the rentista in Costa Rica for not less than five years.

In both cases (1) and (2) above, the investment coverage would include not only the "rentista" head of family, but also the dependents in the immediate family. It should be noted that a rentista need not be of retirement age.

Actual residence in Costa Rica is required for at least four months of every year under both the "pensionado" and "rentista" visa programs.

Upon receipt of the "rentista" status, the foreigner is barred from earning a salary from a Costa Rican employer. However, the rentista is not prohibited from owning a business in Costa Rica or from filling a managerial position in his own company.

There are presently about 6,000 active rentista and pensionado files in Costa Rica, involving a total of approximately 22,000 people. Of this number, about 70% are American. The participants in the "rentista" visa program are generally younger than those in the "pensionado" program. Increasingly, more Europeans are now applying for the "rentista" visa.

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Costa Rica previously had programs whereby a foreigner could obtain a Costa Rican passport or travel document in addition to "rentista"/"pensionado" status by investing a further $50,000 in a government-approved business project. These travel documents had been of significant value to foreigners requiring valid passports or an additional nationality. As a result of internal political opposition, these documents have become unavailable since May 1986. There is currently a bill in the Legislative Assembly to restore availability y of travel documents, but the outcome of the bill is unclear a this time.

Foreigners may still obtain residency through investment in a business. The investment must be approved by the Ministry of Industry and Commerce Center for Promotion of Investments and Exports (CENPRO), in consultation with the privately-run Costa Rican Coalition for Development Initiatives (CINDE). The amount of investment usually must exceed $100,000 and must be in a "priority" area such as production of non-traditional goods for export.

Dominican Republic

The Dominican Republic has attracted foreign residents and visitors for many years. U.S. citizens, British subjects, and certain other nationals may enter the Dominican Republic without a visa by obtaining a tourist card upon arrival which is good for one sixty day visit. With respect to other nationalities, tourist visas valid for one sixty day visit can be obtained from Dominican embassies and consulates. Also, resident visas can be obtained for one sixty day visit. There are two types of business visas. One which is valid for a single sixty day visit, renewable for a second period of 60 days through payment of a small fee to the Dominican "Direccion General de Migraci6n. " The other business visa is is valid for multiple entries over a period of one year.

Residents in the Dominican Republic must obtain a temporary residence certificate and a local registration card ("cedula"). The temporary residence certificate must be changed to a permanent residence certificate after one year. Thereafter, it can be renewed on an annual basis. Dominican residents also need an exit permit ("salida") and reentry permit ("reentrada") before leaving or returning to the country.

Work permits are not required, but residence visas must be obtained. The usual requirements are a letter of reference, Consular Form 509-R, photographs, health certificate, police certificate, work contract (when applicable), birth certificate, affidavit of insolvency and marriage certificate. The documentation is sent from the consulate or embassy to the Office of Foreign Relations in the Dominican Republic. Since this process can take a considerable amount of time, more rapid results can usually be obtained by working through an attorney in the Dominican Republic.

Foreigners must receive presidential authorization before purchasing Dominican real estate.[2] Such permission can normally be obtained, and is not required when ownership is held by a Dominican company with at least 51 percent share ownership by Dominican nationals.

The number of foreigners on a company payroll may not exceed 30 percent. Also, foreign employees cannot earn more than 30 percent of total salaries owned by a company. There is an exception for foreign managers and technical specialists with skills not readily available in the Dominican Republic. Employees who are not managers or specialists can expect to encounter visa processing delays.

Incentives for free zone operations exist.[3] The Dominican law on foreign investment does require registration of foreign investment in order to obtain the right to repatriate profits.[4] The applications are submitted to the Directorate of Foreign Investment at the Central Bank, which determines whether or not the investment contributes to the country's economic development. Potential foreign residents should also obtain information from local counsel and the Dominican Center for Export Promotion ("CEDOPEX") concerning export incentives.[5] The Dominican Republic also provides tourism incentives.[b]

Although there is no "rentista" program as in Costa Rica or Mexico, the Dominican Republic does encourage residency by individuals and their families who have moderate to significant sums to invest in the country,

Mexico

Under Mexican law, a foreigner with visitor or "visitante" status may work for a period of six months with one or possibly two renewals of six months each.' Visitors' visas are usually used for persons employed outside of Mexico by foreign companies doing business in Mexico, or for business employees working in Mexico temporarily who are paid through the local Mexican company. Business visitors paid in Mexico may be subject to delays prior to granting of the visa. Visitors' visa holders paid outside of Mexico may receive up to three 6-month ‘extensions. Those paid by Mexican employers may only receive one 6-month extension.

“Visitante” status can be obtained by technicians (“tecnico”) with extensions up to maximum of 18 months, conditioned on the foreign technicians’ training at least two Mexican nationals in the specialty.[8] The business executive (“cargo de confianza”) may obtain a “visitante” visa with time limitations similar to that of a “tecnico”. Approval must be obtained from the Director General of Migratory Services.

Visitors’ visas are to be distinguished from tourist (“turista”) visas. The “turista” is not permitted to work in Mexico. Those persons who would be considered B-1 business visitors under the U.S. immigration system should obtain visitors’ visas, not tourist visas.

Mexican immigration law provides for various types of immigrant (“inmigrante”) visas. “lnmigrante” status is granted for five years, during which time no more than ninety days may be spent outside of Mexico during the first two years or a total of eighteen months over the entire five year period. Foreigners must apply for permanent immigrant (’Inmigrado”) status after five year if they qualify to remain in Mexico.

“Inmigrante” status can be obtained as a foreign investor (“inversionista”). This visa may be available to non-Mexicans who invest in enter, prises approved by the Secretary of the Interior (“Secretarial de Gobernacion”). A minimum investment of 20,000,000 pesos is required if the enterprise is established in Mexico City or in states neighboring the federal district. The minimum investment is 10,000,000 pesos for businesses established in other parts of Mexico. The foreign investment can only represent up to 49% of the share capital of the enterprise.

“Inmigrante” status may also be available to key executives (“cargo de confianza”) in well-established corporations in Mexico. This visa is granted by the Secretary of the Interior only if it is convinced that the position is necessary and that no local Mexican is available. Minimum investments similar to those of an investor or “inversionista” may be required by the Secretary of the Interior. Several months may be required in order to obtain this visa. However, an executive could probably first qualify for non-immigrant visitor status and later change to immigrant status when the visa becomes ready for issuance.

Persons who undertake research, or other specialized activities for which Mexicans are not readily available can obtain ‘Ginmigrante” status through the specialist (“tecnico”) visa status.

If the Mexican government determines that an executive (“cargo de confianza”) or a specialist (“tecnico”) can be replaced by qualified Mexicans, permanent residence might not be granted. Also, an “inmigrante” may be disqualified from becoming a permanent resident or “inmigrado” if that person remains outside of Mexico for two consecutive years or for a total of five years in any ten year period.

Mexico has an annuitant (“rentista”) program under the jurisdiction of the Secretary of the Interior which grants a visa to foreigners who deposit funds from abroad into a Mexican bank. The deposits must generate 1,000,000 pesos per month in interest for each “rentista” and 500,000 pesos per month for each additional member of the “rentista’s” family. The “rentista” must be more than fort y-five years old.

Foreigners who have the qualified resident status of “inmigrante” only pay taxes on Mexican-source income. Non-residents on temporary assignment to Mexico pay a flat thirty percent on all income earned in Mexico. Permanent residents of Mexico, like Mexican citizens, are taxed on worldwide income. The Mexican Government, however, does not usually enforce collection of the tax foreign source income of foreigners residing permanently in Mexico.

A foreign investor should be aware of government incentives which significantly changed

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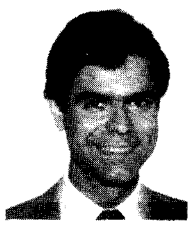

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from preceding page

in 1979.9 Tax credits (CEPROFIs-''Certificados de Promocion Fiscal") although recently made less generous, are now available to a larger number of Mexican-controlled firms.[10] The eligible firm must obtain approval from the government with respect to the product to be manufactured and to the business location in Mexico

If the foreigner is interested in establishing a business for export to the United States or other countries, consideration should be given to an in-bond "maquiladora" facility in Mexico.

Conclusion

Costa Rica, the Dominican Republic, and Mexico all offer residence opportunities to foreigners. A decision to seek residence in one of these countries should be the outcome of careful analysis by the foreigner, in conjunction with professionals, of all immigration, tax and other legal ramifications.[11]

Footnotes:

[1] Reference should also be made to the "Ley General de Migraci6n y Extranjerfas", Law No. 7033, La Gaceta, August 13, 1986.

[2] Presidential Decree No. 2543 (3/22/45), as modified by Presidential Decree No. 860 (3/ 8/83).

[3] Industrial Incentives and Protection Law No. 299 (4/23/68), as amended. *See also An Overview of Dominican Republic Laws For The Foreign Investor,* Kaplan, Russin, Vecchi & Heredia Bonetti.

[4] Foreign Investment Law (Law No. 861).

[5] Export Promotion Law of 1979 (Law No. 69).

[b] Tourism Incentive Law (Law No. 153).

[7] Non-immigrant visas are covered under Art. 42 of the General Population Law ("Ley General de Populaci6n"). The "visitante" receives an FM-3 visa.

[6] A consultant ("consejero"), whose purpose is to advise the board of directors of a Mexican company, may only obtain a 6 months visa, valid only for 30 days per visit.

[9] Decree of 3/6/79 creating Regional Industrial Development Program. *See also* "Business Operations in Mexico", BNA Tax Mgmt. Foreign Income Portfolio, 136-4th.

[10] See IL&T (Mexico) June 1986 Bus. httl. Corp.

[11] I wish to acknowledge the kind assistance of Lic. Federico Vergara Ramirez, of the law firm of Santamarina y Steta in Mexico City, and Lie. Alberto Pauly of the law firm of Fournier, Gutierrez y Asociados in San Jose, and James Finch, Esq., of the law firm of Kaplan, Russin, Vecchi & Heredia Bonetti in Santo Domingo, as well as the cooperation of the Miami Consulates of Mexico, Costa Rica and the Dominican Republic.

The Florida Bar
International Law Section

Final (Unaudited) Detail Statement of Operations as of 6/30/87

Revenues	Year to Date	Annual Budget
Dues	$14,715	$18,000
Dues retained by TFB	7,350	9,000
Net Dues	7,365	9,000
Audio Sales	50	-0-
Mid-Year Meeting	278	-0-
US/ French Exchange	-o-	355
Spring Immigration Seminar	203	350
Business Immigration Law: Advanced Seminar & Workshop	1,083--	-0-
Miscellaneous	12	-0-
Interest	1,316	200
Total Revenues	8,111	9,905
Expenses		
Postage	1,095	1,500
Printing	265	675
Officers' Office Expense	62	1,500
Newsletter	529	2,500
Photocopying	16	100
Supplies	-0-	50
Out-of-State Travel	-0-	1,500
CLE Speaker Expense	-0-	150
Committee Expense	306	900
Board or Council	805	1,000
Bar Annual Meeting	1,301	1,400
Mid-Year Meeting	733	800
Awards	132	150
International Law Exchange	500	2,500
Operating Reserve	-o-	1,500
Miscellaneous	894	900
TOTAL EXPENSES	6,638	17,125
NET OPERATIONS	1,473	7,220-
BEG. FUND BALANCE	17,525	11,368
ENDING FUND BALANCE	18,998	4,148

Capital Divergence between International Banks: Issues of Capital Adequacy and Comparability

by Wilbert O. Bascom

Particularly since the 1970s, bank supervisory authorities have become increasingly concerned with the need to narrow the inter-country divergence in the capital positions of banks operating internationally and have emphasized the importance of comparable and adequate capital standards for these banks. The erosion of the banks' capital positions in the 1970s and early 1980s has also been a major concern of the authorities now preoccupied with resisting any further erosion. However, in spite of the progress achieved in improving those positions, the authorities are still faced with the difficulty of comparing the relative capital strength of banks operating internationally. This difficulty is due mainly to the fact that the individual countries' supervisory authorities have been measuring their banks' capital positions in very different ways. These authorities have therefore recognized the need to develop a frame work that would facilitate such a comparison if only on a basis of rough equivalence (CBRSP, 1986).

This article reviews the supervisory importance of comparable and adequate capital standards for banks operating internationally and focuses on the need to narrow the divergence between these banks' capital positions in view of current international financial market developments. It also examines the authorities' efforts to define capital and relate the level of capital to the banks' operations. Further, the article describes a proposed six tiered capital framework to facilitate the inter-country comparison of banks' capital positions and reviews two ratio approaches for assessing capital adequacy and setting capital standards within this framework.

Comparable and Adequate Capital Standards

The supervisory authorities' concern with comparable and adequate capital standards has a prudential and a competitive dimension. At the prudential level, the authorities consider capital adequacy as the cornerstone of sound banking and have agreed on the necessity to strengthen the capitalization of international banks and to narrow the divergence in the capital positions of these banks. No doubt, the current environment of rapid financial innovation (BIS, 1986; MGTC, 1986), of enhanced competition and of progressive integrations of banking markets has served to emphasize the importance of adequate capital standards in the international banking system. The capital positions of banks operating internationally could therefore be inadequate when measured against the increased price risk, credit risk, market liquidity risk, settlement risk and country and transfer risk associated with the current highly innovative and volatile international financial markets.

At the competitive level, it has been recognized that any significant inter-country divergence in the banks' capital standards could influence the terms and conditions of international banking transactions and impact the relative competitiveness of individual banks operating internationally. Progress towards greater convergence of capital standards should therefore facilitate greater competitive equality between international banks.

Thus, for both prudential and competitive reasons, industrial countries' supervisory authorities have agreed on the need for a framework that would enable the measurement and comparison of the capital position of banks operating internationally. In formulating this framework, it was considered necessary to define capital and its constituents elements and to decide on the most appropriate method to relate the level of capital to the overall business of the bank.

Capital and its Elements

Supervisory authorities have recognized five essential characteristics of capital. These are, capital should be fully paid-up and permanently available; it should be freely available and not earmarked to particular assets or banking activities; it should be able to absorb losses accruing in the course of ongoing business; it should represent no fixed charge on the earnings of the institutions; and finally, it should rank below the claims of all creditors in the event of liquidation.

The supervisory systems of most industrial countries have certain common elements which meet the above five definitional characteristics and which are included in their banks' capital base. These are the permanent shareholders' equity, retained earnings and other disclosed reserves. But there are various other elements included as capital in some but excluded in other systems. Examples of such capital elements are un-

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disclosed reserves, property revaluation reserves and subordinated debt. This diversity of capital definitions reflects the inter-country differences in accounting practices and supervisory policies. Thus, while it can be argued that these additional capital elements, where they exist, may contribute to the banks' underlying strength, the fact that they are not generally included as capital in every national supervisory system, precludes any attempt to provide a definition of capital generally acceptable among the supervisory authorities.

The difficulty of achieving a generally acceptable definition of capital would suggest a need to pursue an approach which would be adequately flexible to capture the different supervisory systems' constituents of capital and which would facilitate inter-country comparisons of the banks' capital positions. This approach may be based on a tiered capital measurement framework, which starts with the basic and universally recognized elements of capital - shareholders' equity and disclosed reserves - and incorporates step by step other elements relevant to the overall strength of a bank and accepted as capital in the individual supervisory systems. In this way a series of capital adequacy tests may be applied and broad comparisons of the results can be made.

The Tiered Framework

To facilitate the comparison of international banks' capital positions, the supervisory authorities have proposed a six-tiered framework. Each tier includes different capital instruments as follows:

Tier I: Shareholders' equity and disclosed reserves.

Tier 2: Tier 1 plus undisclosed reserves.

Tier 3: Tier 2 plus perpetual and other hybrid debt capital instruments.

Tier 4: Tier 3 plus asset revaluation reserves.

Tier 5: Tier 4 plus general provisions.

Tier 6: Tier 5 plus subordinated debts.

It is recognized that some of the capital instruments, especially the more innovative ones, used in some supervisory systems may not fall exactly within this framework. Consequently, some flexibility will be necessary to incorporate such instruments within the tier most accommodating to their characteristics and quality as capital.

Notable exclusions from the tiered framework are provisions against known current or future liabilities, such as deferred tax or against reductions in specific asset values, or amounts reflecting goodwill. These are excluded because they do not possess the intrinsic qualities of capital, that is, they are not fulIy available to meet unexpected losses arising elsewhere in the business. The exclusion of the specific provisions should not, however, diminish the importance of full and timely provisioning against expected losses from bad and doubtful debts. Capital cannot serve as a source of strength when already materially impaired by a failure to write down assets from which losses are expected. Prudent valuation policies also imply that any amounts reflecting goodwill should be excluded as capital.

For individual countries, a set of capital tiers may be of particular relevance to the extent that it approximates the countries' capital measuring system. Moreover, the individual supervisory authorities may rank the six tiers so as to reflect their own opinion about the relative quality of the different capital elements. However, the above tier ranking indicates that shareholders' equity is capital of the highest quality and subordinated term debt is capital of the lowest quality. Between these two capital elements, the ordering of the tiers does not mean that one or other of the four remaining elements is of a higher or lower quality. In that sense, the precise ordering of the tiers should not be regarded as immutable.

As subordinated term debt is available only to absorb losses when a bank is liquidated, this capital instrument is considered capital of the lowest quality. For a going-concern, however, the existence of subordinated term debt may help to maintain or increase depositors' confidence and thus contribute to financial market stability. Further, subordinated term debt may be denominated in foreign currencies. This provides a particular advantage to banks operating internationally, by helping to stabilize their balance sheets against the effects or exchange rate fluctuations. But subordinated term debt has many characteristics that are similar to those of ordinary debt. For instance, holders of the debt instrument can force a bank into receivership as soon as the principal is affected by losses. In addition, as a debt instrument, subordinated term debt is not a the permanent disposal of the issuer and interest payment may well be an ever present burden on earnings. Thus, in countries where subordinated term debt is an acceptable part of capital, it may be prudent to impose a quantitative limit on the amount of such debt in terms of the other capital elements. For instance, supervisory authorities may permit an eligibility limit for subordinated term debt equivalent to say 50 percent of other capital elements.

Recently international banks have developed new debt capital instruments which have advantages over the subordinated term debt. Because these new instruments are available to absorb losses without the holders being able to trigger a bank's receivership and also because they are not redeemable at the holders' option, they combine the characteristics of debt capital with those of equity capital. They may therefore be considered as having a higher quality than subordinated term debt. Still, it must be emphasized that the new debt capital instruments incorporate a fixed cost element in the same way as subordinated term debt. As in subordinated term debt, interest payments on the new instruments cannot be permanently waived or reduced but can only be deferred. Countries that have accepted these new debt capital instruments have, therefore, tended to impose limits on their inclusion for determining capital adequacy of banks.

Gearing and Weighted Asset Approaches

Two approaches are currently being used by most regulatory authorities to assess capital adequacy and to establish capital standards. The first approach, which produces what may be termed the gearing ratio, relates capital resources to the balance sheet total or to total non-capital liabilities. The second approach, which results in a weighted asset ratio, applies different weights to different classes of risk assets and relates the bank's capital to these weighted risk classes.

The gearing approach has at least two main advantages. These are the simplicity of calculation and the absence of arbitrary judgement about the differential risk in the bank's assets. In addition, the gearing ratio may be derived from published information used by market analysts. The major disadvantage of the gearing approach is that is ignores the variations in risk within the bank's portfolio. Banks in some countries, with equal capital resources, for example, may hold larger amounts of assets carrying lower risk than banks in other countries. Differentiating between the classes of asset risk can therefore facilitate the comparison of banks operating internationally. In the absence of such differentiation, improvements in capital strength as reflected in an increased gearing ratio can give a misleading picture of the bank's risk profile or its capital adequacy relative to its risk assets. Further, the differentiation of asset risk can complement the gearing ratio approach. In other words, where a gearing ratio is being used, banks may meet stricter capital standards by reducing the proportion of low-risk assets.

The weighted asset approach has the potential to overcome these disadvantages. For some time, this approach has been in general use in Europe and is now in the process of being introduced in Canada, Japan and the USA. The advantage of the weighted asset approach is that it takes account of the degree of perceived risk in the different asset categories as well as in the off-balance sheet business of the bank. Even though the choice of weights used may be arbitrary, the approach may provide a more reliable basis for assessing capital adequacy and for making international comparisons between widely differing banking systems.

While the weighted asset approach provides a more sensitive and reliable method of testing capital adequacy than the gearing approach, both approaches may be applied in separate sets of calculations using the tiered framework. In the case of banks operating internationally, all calculations may be applied on a consolidated basis. The consolidated method recognizes the general supervisory principle that an international bank should be adequately capitalized with regard to the business of the parent and of its branches and subsidiaries worldwide. For the gearing ratio, each of the six tiers representing different definitions of capital maybe calculated as a proportion of total balance-sheet assets. For the weighted asset ratio, the same six definitions of capital may be calculated as a proportion of assets and certain contingent liabilities weighted according to a formula which recognizes the differences in risk classes.

The application of both the weighted asset and gearing approaches on a consolidated basis and for different sets of capital adequacy calculations may assist in determining the divergence among the international banks' capital positions and ultimately in attaining the objective of comparable and adequate minimum capital standards among international banks. However, for the purpose of comparing the banks' capital positions, the weighted asset approach is considered more appropriate than the gearing approach. In addition, a determination of the extent of convergence between the banks' capital positions may be focused on the first tier (i.e., shareholders' equity and disclosed reserves) of the framework. As already indicated, the first tier elements are of the highest quality compared with the other five elements in the framework. In fact, shareholders' equity and disclosed reserves are the only elements generally recognized as capital by all the industrial countries' supervisory authorities and unlike some elements, it is an important factor

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in the determination of profit margins and competitive ability.

Conclusion

This paper has described a capital measurement framework consisting of the major elements for making broad and consistent comparisons of international banks' capital positions. In spite of the simplicity and availability of the gearing ratio and the comparability and capital adequacy advantages of the weighted asset ratio it is important to emphasize that it would be misleading to draw conclusions about the relative strength of different banks only on simple comparisons of capital ratios. Capital ratios, however calculated, are only one measure of this strength. The overall assessment of the relative strength of banks, particularly those operating internationally, would require qualitative judgement which takes account of such factors as asset quality, adequate provisioning and management competence.

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Independent Applicants Under Canadian Immigration Law

by Ashler L. Frankel

On August 7, 1987, Senator Edward M. Kennedy and Congressman Brian J. Donnelly introduced legislation aimed at reforming the U.S. immigration system. Their goal was to make the system more flexible and generous and to open it up to a fairer number of immigrants. The proposal contains, *inter alia,* provision for "independent" immigrants to be allocated by a point system that favours individuals with desired skills. Canada currently has in effect precisely this kind of system.

This article shall present a brief overview of the independent category under Canadian immigration law. It is intended that this be the first of several informational articles concerning Canadian immigration law of interest to U.S. practitioners.

Independent Immigrants

Unlike the United States, Canada does not have fixed quotas for the admission of immigrants. Rather, the government announces annually a "global planning level" for the admission of immigrants in all categories. People with comparable qualifications from anywhere in the world have an equal chance to settle in Canada. However, they must meet Canadian selection and admission standards, also known as the point system.

The current regulatory scheme is designed to attract three types of independent immigrants, all of which are related to potential economic impact:

1. selected workers and assisted relatives — impact on labour market
2. business immigrants —job creation and business development
3. retired immigrants—no adverse labour market or welfare impact.

1. Selected Workers and Assisted Relatives

Selected workers are those applicants, other than members of the family class (immediate relatives), who are applying on their own initiative. Such applicants are destined to the labour market and generally must comply with all the selection criteria of the point system described below.

Assisted relatives are those applicants, other than members of the family class, who are unable to qualify for selection in their own right but who have a relative in Canada who is able and willing to help them become established. Relatives eligible to apply under this category include the Canadian resident's brothers, sisters, parents and grandparents, children and grandchildren, aunts and uncles, nieces and nephews.

2. Business Immigrants

The major objective of the Business Immigration Program is to promote, encourage and facilitate the immigration of experienced business persons from abroad who will make a positive contribution to Canada's economic development by applying their risk capital and know how to Canadian business ventures, which will create jobs for Canadians.

The Business Immigration Program encompasses three types of applicant:

a. the entrepreneur;
b. the investor; and
c. the self-employed person.

a. Entrepreneurs — to be classed as an entrepreneur, one must have the intention and ability to establish, purchase or make a substantial investment in a business venture in Canada which the person will manage on an active basis. The venture must make a significant contribution to the economy and must result in the creation or maintenance of employment opportunities for one or more Canadian citizens of permanent residents, other than the entrepreneur and his dependents. This category accommodates experienced business persons whose background is oriented towards the management of small to medium sized enterprises.

b. Investors — to be eligible as an investor a person must have operated, controlled or directed a financially successful business or commercial undertaking, and have accumulated a net worth of Cdn.$500,000 or more. Investors are required to make an investment of a minimum of Cdn.$250,000 for at least three years, in a project which has been assessed by the province as being of significant benefit to its economy, and which will contribute to the creation or continuation of employment opportunities for Canadian citizens or permanent residents. Three investment options are available to investors. They may choose to invest:

i) in a business or commercial venture;
ii) in a privately-administered investment syndicate, supported by the province in which the syndicate will make investments; or
iii) in a government-administered venture capital fund, directed to business development.

c. Self-employed - a self-employed person is someone who intends to establish a business that will create employment for that person, and who will contribute to the cultural and artistic life of Canada. This category accommodates individuals who, although they may not create or preserve jobs for Canadians, nevertheless make a significant contribution in economic and artistic terms, such as farmers, sports personalities, artists, members of the performing arts, and operators of small outlets which certain communities may need.

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Asher I. Frankel is a member of the Bars of the Province of Ontario and the State of Florida. He practices Canadian and U.S. immigration law with the international law firm of Gottlieb, Kaylor & Stocks, with offices in Montreal, Toronto and Ottawa, Currently, he is on the Executive of the Canadian Bar Association — Immigration Law Section, and is a member of the American Immigration Luwyers Association — Canada and Southern Florida Chapters. He has lectured on the immigration and nationality laws of both Canada and the United States.

from preceding page

3. Retired Immigrants

The basis of this selection category, in economic terms, is the fact that retired persons are self-supporting non-workers. They do not compete in the labour market but they do bring money to Canada and they are consumers.

The definition of a retired person is an immigrant, at least 55 years of age, who does not intend to seek or accept employment. Occasionally, early retirement cases are proved if the circumstances demonstrate *de facto* retirement before age 55. The selection criteria also include proof of sufficient financial resources to fund the applicants retirement years, and the applicants motivation for retiring in Canada.

The Point System

Specific selection criteria are used to determine whether independent immigrants and their dependents can become successfully established in Canada. The criteria's composition and weighting are designed to bring immigration into line with Canada's demographic and labour market needs. Emphasis is placed on the practical training, experience, education, and capability of the applicant; employment related factors account for about half of the total possible rating points that can be awarded.

The chart below adapted from the regulations, summarizes the selection criteria of the point system.

Not every independent applicant is assessed against all of the selection criteria. Applicants are rated only according to those factors which actually affect their ability to become success-

Factor	Units of Assessment	Notes
Education	12 maximum	1 unit per successful post-kindergarten year of primary or secondary school
Specific vocational preparation	15 maximum	
Experience	8 maximum	
Occupation	10 maximum	0,5 or 10 units are assigned to various skilled occupations; O units is an automatic processing bar, unless applicant has arranged employment
Arranged Employment	10 maximum	this is the equivalent of labour certification in the U.S.
Age	10 maximum	10 units if 21 to 44; 2 units deducted for each year under 21 or over 44
Knowledge of Official Languages (English & French)	15 maximum	If fluent in one language, 9 units
Personal suitability	10 maximum	Visa officers opinion of adaptability, resourcefulness, motivation, etc.
Levels control	10 maximum	Number to be fixed by the government. currently set at 5 units
TOTAL	100	Pass Mark — 70
Bonus for assisted relatives	10 maximum	If application is accompanied by an undertaking of assistance

fully established in Canada. For example, entrepreneurs and investors who create jobs for Canadians, are not assessed on occupation or arranged employment factors. And, immigrants who intend to be self-employed are not required to meet the arranged employment factor. In fact, any self-employed person whom the visa officer feels will become successfully established in Canada may receive extra rating points.

Assisted relatives are assessed against the same factors as are other independent immigrants. However, they receive ten bonus units of assessment because they have relatives in Canada who have signed statements promising to support them for a period of ten years. Also, retired persons, though considered part of the independent class, are not evaluated on any of the point-rated standards; instead, they are selected under general criteria as described above.

Except for entrepreneurs, investors, and self-employed persons, immigrants selected under the point system must be awarded at least one point under the occupation factor unless they have some form of arranged employment in Canada or are willing to work in a designated occupation (one in an area of Canada identified as having a shortage of workers in that occupation).

In conclusion, Congress may look to Canada for a model of a viable system for independent immigration. In addition, U.S. practitioners may consider Canada as a realistic alternative for their immigration clients who do not qualify under the current U.S. legislation due to its lack of such category.

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BRAZIL 87: the speaker

Stephen F. Dachi is Consul General of the United States in Sao Paulo Brazil. In the early seventies he lived in Brasilia and was Country Director of the Peace Corps, In his four years in Brazil, he has traveled all over the country and has been to every State and major city. A member of the Foreign Service of the United States, Mr. Dachi was Director for Latin America and the Caribbean in the United States Information Agency for six years, has lived and worked at Embassies in Colombia, Venezuela and Panama and has traveled frequently to every country in the Western Hemisphere.

Mr. Dachi has been giving programs and lectures about Brazil, Latin America and foreign affairs for the past twenty years, to audiences in the United States as well as abroad. His insightful, informative and entertaining presentations have been in growing demand by world affairs councils, universities, business organizations, travel groups and cultural centers.

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	10:45-12:15	Brazil Past and Present
	12:15- 1:15	Lunch
	1:30- 3:00	Brazil: Economics, Politics and Government
	3:00- 3:15	Coffee Break
	3:15- 4:45	The Cities and Culture of Brazil

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