



MONACO

Center of Excellence

Ever since he succeeded to the throne in 2005, HRH Prince Albert II of Monaco has been on a mission to make the principality not just a magnet for sound investment advice and other financial

services delivered to the very highest standards of professionalism and probity, but also a modern 21st-century economy in its own right. It was and remains his vision to turn Monaco into the country of choice for international businesses looking for a platform from which to expand into Europe and beyond.

"We're trying to convey the message that we are open for business, but we have also always wanted to be able to say that our own finances are in good shape," explains Finance and Economy Minister Jean Castellini. "Not every microstate in the world can claim, as we can, to have no debts or budget deficit."

The Monegasques have consistently proved themselves adept at capitalizing on Monaco's geographical position, climate, and other attractions to the principality's commercial advantage, and over the years it has earned a formidable reputation as a "happening" place that hosts over 700 events a year. That translates to some form of sporting, cultural, or corporate gathering taking place in this tiny principality almost twice a day.

In the past, Monaco both prospered and suffered from its reputation as a haven where the wealthy could stow their investments without too many questions being asked, but this is no longer the case. With Prince Albert's encouragement, Monaco's authorities and financial services sector have embraced the international drive for greater transparency and have signed taxation disclosure agreements with many EU member states and others. "People are looking for as much transparency as



Mr. Jean Castellini
Minister of Finance and Economy

possible these days," says Castellini, "and they feel secure and protected by the fact that we have engaged in this drive to stamp out tax evasion. As a result, we now have a record number of residents and investors who know that what they see is what they get."

Xavier de Sarrau, managing partner of one of Monaco's oldest legal firms, Gordon S. Blair, agrees that Monaco's repositioning has been a success. "Monaco has always been one of the best places to go in Europe if you were either a family or a private individual looking for somewhere to safeguard and grow your financial assets," he says. "The new positioning has also made it very business-friendly because it now also offers services like auditing and management. It is becoming similar to Geneva, in that the authorities are friendly and the general business environment is good."

FROM THE PERSPECTIVE OF A MULTINATIONAL COMPANY LOOKING TO ATTRACT

the very best management and professional talent around, Monaco has plenty of other things going for it as well. Virtually crime-free, with a gloriously temperate Mediterranean climate and the sparkling seas of the Côte d'Azur lapping on its well-heeled shores, Monaco makes it easy for high-flying executives to persuade their spouse and family to move here.

Just as important, Monaco also offers employees of companies like Unaoil a welcome respite from demanding assignments in the deserts and oceans where they ply their trade. "We specialize in investing in local manpower to execute projects in challenging environments to the highest international standards," explains the company's COO. Saman Ahsani, "and we provide both specialist manpower and oilfield services via our local teams and workshops." Covering an area of little more than 2 square kilometers, Monaco is hardly the place to set up a labor-intensive company, but for the likes of Unaoil, it is, as Castellini puts it, definitely open for business, and home sweet home for some of the world's most successful practitioners and professionals. ●

GORDON S. BLAIR: PROTECTING YOUR INTERESTS

In his accession speech when taking over the Monegasque throne from his father in 2005, Prince Albert II announced that his primary objective was to establish Monaco as a center of excellence in the financial world.

HE WAS GOOD TO HIS WORD, and the relevant legislation that was put in place two years later signaled the beginning of an influx of fund and hedge fund managers into what had traditionally been a haven for some of the world's highest-net-worth individuals.

With this influx came a need for a new breed of lawyers with a correspondingly updated portfolio of skills. Among the first people to recognize this need was Xavier de Sarrau, an international expert on family governance matters who somewhat counterintuitively decided to use one of Monaco's oldest and most traditional practices as his vehicle for taking on the brave new world of 21st-century finance. That practice was Gordon S. Blair, an old-school law firm that has been specializing in providing individuals, families, and companies with personalized legal and tax advice for nearly 100 years.

Since it was established by the lawyer of the same name back in 1920, Gordon S. Blair had built up a formidable reputation for probity and discretion, and was eventually subsumed into Ernst & Young in the 1990s before de Sarrau bought it in 2006. As its managing partner, de Sarrau has ever since been single-mindedly building it into an international practice attuned to the needs of today's free-market global economy, but one that nevertheless respects and adheres to the values of its founding father.

Today, the array of services that the practice offers is as wide-ranging as its network of professionals and is both multidisciplinary and cosmopolitan. Gordon

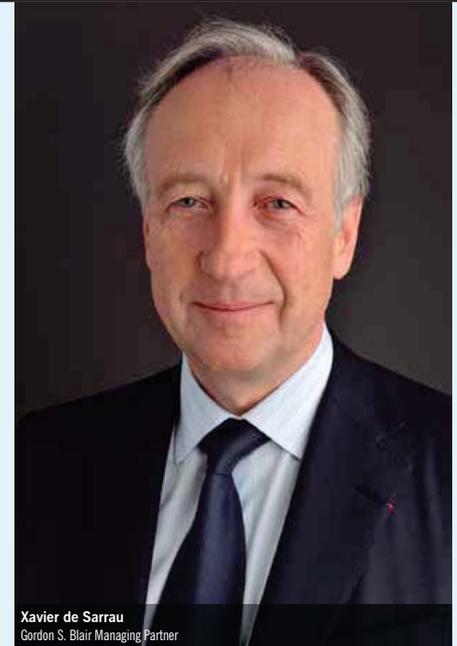
S. Blair now employs 20 people in Monaco and 10 in Geneva, and it keeps a presence in London that, although small, helps maintain the practice's connection with the London law firms that traditionally send business its way, as well as with the practice's British roots in general.

"WE WANT TO KEEP GROWING AND TO TAKE ADVANTAGE

of new opportunities for business both here in Monaco and on the international stage," de Sarrau says. "Since I bought the practice, Gordon S. Blair has ceased to be an entirely Monaco-based company. Of course, we're working with people who want to settle down in Monaco, but we've expanded the business to reach out to people who may or may not be interested in Monaco as well."

These days, its clients in what might be described as the retail arena include family offices, singers, actors, musicians, authors, entertainers, and athletes in need of wealth management and—in the case of the professional entertainers and athletes—advice on both the management of their careers and the protection of their legal rights. On the corporate side, the firm has developed specific expertise in addressing the intricacies of setting up and operating financial service companies in Monaco. It also provides comprehensive legal services to the increasing number of international companies looking to locate key parts of their operations in this Mediterranean oasis.

This change of emphasis has brought with it the need for a new mix of employees who



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can offer the range of skills that Gordon S. Blair's growing client base both needs and expects. As a result, the practice is now populated not just by qualified lawyers but also by tax experts from various jurisdictions, including Britain, Luxembourg, and Switzerland. De Sarrau's policy of employing experts and lawyers who have been well trained and have relevant international experience, he believes, gives his firm a competitive advantage.

If de Sarrau sounds exceptionally commercially astute, then it is probably because of his background in both management consulting and banking. The experience he accumulated in these past incarnations has, he is sure, been a key ingredient in the successful expansion and diversification of the practice. "After working for a consultancy company for 10 years, I really know how to handle a project," he

claims. "One of my great strengths, and something that gives me an edge over the competition, is my ability to get things done, to deliver dedicated teams to clients. I also have a flair for both generating and handling very sophisticated projects: UBP, for instance, chose us to help them acquire a company here. It was a very complicated deal and they needed a combination of legal and banking experience."

Deals that are both complex and call for a multidisciplinary approach are, de Sarrau says, increasingly common: "We are working in a constantly changing environment where there is a huge demand for regulatory, process, and documentation work. We are also happy to see new players looking to enter Monaco's banking sector because this will give us more opportunities for M&A work in the coming years."

Gordon S. Blair would surely approve. ●