



WSC WIĘCEJ NIŻ OCZEKujesz

Warsaw Study Centre

## say it with Mr Zloty

### HAVE FUN WITH MR ZLOTY

When Mr Zloty worked as a part-time bank teller in college, a good-looking young woman began making almost daily trips to his window to withdraw or deposit money. Mr Zloty wasn't sure it was because of him, until he was presented a note by the lady: "Dear Mr Zloty, I've been SAVING this question in the hope that I might gain some INTEREST. If free Friday, would you care to DEPOSIT yourself beside me at a movie? I've taken into ACCOUNT that you may be previously engaged; if so, I'll WITHDRAW my offer and hope for Saturday. At any RATE, your company would be much enjoyed, and I hope you'll not ASSESS this as too forward. CHECK with you later. Sincerely, B." Well, you might guess what followed...

### READ AND LEARN

This month we are dealing with...

#### OFFSHORE BANKING

##### What is it?

According to Wikipedia, an offshore bank is "a bank which is located outside the country of residence of the depositor, typically in a low tax jurisdiction [...] that provides financial and legal advantages".

What are the advantages? Well, there are many, in fact, all of which worth considering if you want to take care of your money.

- Offshore banks guarantee strict secrecy of all operations
- They offer legal restrictions which are not so strict
- Sometimes there is no taxation, which creates the tax havens for account owners.
- There is easy access to deposits.
- Offshore banks are a stable protection against local political or financial instability.

##### How do offshore banks advertise?

An offshore bank account will allow you to safely and privately explore, with few restrictions, the far reaches of the vast and diverse financial universe; from the bond markets of Korea to the stock exchanges of Eastern Europe; from ultra-private Liechtenstein trust arrangements to the most successful funds; from unique commodity investments to Caribbean corporations; from Israeli nanotech start-ups to age-old European blue-chips; from the mysterious and secretive world of offshore mutual funds to tax-free Swiss gold

accounts; from Isle of Man Insurance contracts to Danish multi-currency investment accounts; from uniquely structured tax-free Austrian funds to Bulgarian mortgages; and much more beyond.

With one phone call, or even just the click of your mouse, an offshore bank account will allow you to:

- Privately trade stocks, bonds, mutual funds, CDs, precious metals and currencies on markets everywhere (including CDs that pay up to 16% after currency gains and emerging market stocks and funds traded on exchanges that have soared 496%...407%... and 232% in the past few years).
- Diversify your assets out of any given currency and convert them into currencies set to soar against the currency in the volatile times ahead, like the rock-solid Swiss franc, the euro and many more commodity currencies upon which we've already seen staggering gains of 1,794% and 797% by recommending select little known currency investment techniques.
- Buy into special types of mutual funds, which are managed by legendary, award-winning financial analysts, who rank among the world's best. These offshore fund managers have consistently proven to outperform their American counterparts, as they are able to trade markets and asset classes far more freely than American fund managers, and they're allowed to employ far more flexible and powerful investment techniques. You will be able to profit from some of the world's top funds and advisors... from Luxembourg to Thailand... from Korea to the Caribbean... some of which have boasted returns of as much as 867% in a 5-year period. Compare that to the average American mutual fund that, at best, has provided anaemic single-digit returns over the last 5 years.

##### So, would you like to open your account?

Are offshore banks a part of an underground economy or organized crime? Are the operations connected with tax evasion and money laundering?

In fact, some countries do not allow for bank interest rates to be free of tax. For example, American citizens who are subject to US income tax, must declare on penalty of perjury, any offshore bank accounts they may have, even if the accounts are not numbered. Offshore banks may have a policy of not reporting income to other tax authorities (they do not have legal obligation to do so, being protected by bank secrecy). However, this does not allow the tax payer not to declare their income as well. In fact, if the tax payer does so, they can be accused of tax evasion.

Financial experts call for introducing better regulations for financial operations, in particular con-

cerning offshore banks, tax havens, and clearing houses as these can be possible crossroads for major illegal money flows.

The defenders of the system claim that the calls for stricter regulations have been initiated by domestic banks and financial institutions which would like to have access to money stored in offshore banks. So, if you are considering allocating your money in an offshore bank, you have to make a sound decision.

**Here`s a list of key concepts and vocabulary connected with banking. Match them with their explanations.**

1	legal restrictions	A	an official document promising that a government or company will pay back money that it has borrowed, often with interest
2	tax havens	B	a share in a company
3	deposits	C	an amount of money that is paid into a bank account
4	commodity investments	D	a legal arrangement by which you borrow money from a bank or similar organization in order to buy a house, and pay back the money over a period of years
5	mutual funds	E	the crime of paying too little tax
6	mortgages	F	when money that has been obtained illegally is put into legal businesses or bank accounts in different countries, so that it is difficult for people to discover where it came from
7	stock	G	a place where people go to live to avoid paying high taxes in their own country
8	bonds	H	a central office where banks exchange cheques and other financial documents
9	assets	I	the crime of telling a lie after promising to tell the truth in a court of law, or a lie told in this way
10	commodity	J	the things that a company owns, that can be sold to pay debts
11	under-ground economy	K	a type of collective investments that pools money from many investors and invests it in stocks, bonds, short-term money market instruments
12	tax evasion	L	investing in different products
13	money laundering	M	legal rules or laws that limits or controls what people can do
14	perjury	N	this kind of organization, economy etc is secret and illegal
15	clearing houses	O	a product that is bought and sold

KEY: 1 m, 2 g, 3 c, 4 l, 5 k, 6 d, 7 b, 8 a, 9 j, 10 o, 11 n, 12 e, 13 f, 14 i, 15 h

## COLOUR UP YOUR ENGLISH

**Have a look at the sentences below and try to guess the meaning of the phrases in bold.**

- Enron was cooking the books and misleading the public.
- I always have butterflies in my stomach before giving a public speech.
- I was fired with enthusiasm to go traveling in the USA.
- Hey, get a move on! We`ll be late if you don`t hurry!
- Sam, the new manager`s going to be fired! But keep this under your hat, it`s secret!
- I`m scared stiff of the retirement.
- His hair is quite thin on top. But personally, I think he would look attractive even if he was completely bald.
- When we finish the project we`ll paint the town red. We`ll have to celebrate.
- Why are you in such a bad mood? Did you get out of bed on the wrong side?
- This computer is completely out of order. You should buy a new one.
- How much are we in the red? Can we somehow pay off the debts?
- The bus company is operating a skeleton service on Christmas Day.

**Which idiom corresponds the explanations below?**

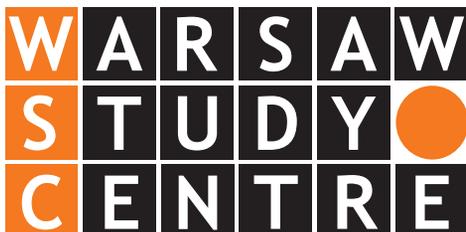
- to feel slightly angry or annoyed for no particular reason
- to dishonestly change official records and figures in order to steal money or give
- people false information
- not working properly, damaged
- to owe more money than you have
- to keep something secret
- used to tell someone to hurry
- to feel slightly nervous before doing something
- to go out to bars, clubs etc to enjoy yourself
- extremely frightened
- if someone has ..... hair, they do not have a lot of hair
- only enough workers or services to keep an operation or organization running
- to make someone feel interested in something and excited about it

KEY: a9, b1, c10, d11, e5, f4, g2, h8, i6, j7, k12, l3

**Correct the mistakes in the sentences below.**

**Check with the sentences above.**

- Why are you in such a mood today? Did you get up on the left side of bed?
- Johnsons has been arrested! For keeping the books!
- Sam, could you help me with a small loan? I`m terribly in the black this month.
- Joe started wearing a wig when he discovered he was a bit thick on top.
- You must hold it under your hat, Sally. It`s a secret!
- When we pass all our exams we`ll paint the town pink.
- Hey, have a move on! We`ll be late!
- We won`t be able to do the next project without recruiting some new staff. We have dead staff at the moment.
- Well, every time I have to deliver a presentation I feel butterflies in my stomach.
- I`m terrified stiff of the new boss. I really don`t know why...



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