

## Offshore Banking

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1. What is the main purpose of offshore banking? (**Marks: 0**)

Promoting local trade



Providing services in foreign jurisdictions with financial benefits

Reducing domestic regulations

Supporting microfinance institutions

2. Which of the following is a common feature of offshore banking jurisdictions? (**Marks: 0**)

High tax rates

Strict regulatory oversight



Low or zero tax rates

Mandatory domestic residency

3. Offshore banking units (OBUs) are typically established: (**Marks: 0**)



To provide retail banking services

✓ To facilitate international financial transactions

For government savings schemes

For providing agricultural loans

4. Which of the following is NOT a benefit of offshore banking? (**Marks: 0**)

Privacy and confidentiality

✓ High regulatory transparency

Asset protection

Tax efficiency

5. The term “tax haven” is often associated with offshore banking. Which of the following is a characteristic of a tax haven? (**Marks: 0**)

High withholding taxes on foreign investments

Strict exchange controls

✓ No or very low tax on income or profits

Mandatory capital controls

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