

## LIMITED LIABILITY COMPANIES OF DELAWARE (“LLC”)

### Members

A minimum of one member, who may be a natural or juridical person, is required. This figure is equivalent or similar to the shareholder of a corporation. If the member of a LLC is a natural person, succession tax would be generated at the time of his/her death, and these would be based on the net worth of his assets. To avoid such tax, usually the member of a LLC is a foreign corporation.

### Manager

A minimum of one manager is required. The members of the LLC may be managers. The managers are Selected by the members of the LLC and may hold one or more offices.

### Capital and Membership Certificates

There is no special requirement regarding the amount of capital of the LLC being expressed in U.S. dollars. This amount does not need to be recorded in the Public Registry nor in the Operating Agreement which the members of the LLC execute. Usually, it is included in the Organizational Written Consent adopted by the members of the corporation. The LLCs do not issue shares. Each member of the corporation receives a Member ship Certificate (similar to a share certificate) stating that he/she is a member of the LLC. The contribution and participation of each member will be recorded in the Organizational Written Consent and the Operating Agreement, respectively.

### Public Registry

The State of Delaware keeps a Company Registry. However, it is not necessary to register the information concerning the Directors or Members of the LLC. The only information usually kept by the Public Registry is the name of the LLC and the name and address of the LLC’s Registered Agent which is included in the Certificate of Formation (document through which the LLC is constituted at the time it is registered). Not with standing, it is possible to include additional information in the Formation Certificate, if the client so desires.

### Company Registries

All the corporate documents and the registries concerning the LLCs are kept by its owners.

### Registered Agent

Each LLC must maintain a Registered Agent in Delaware with a local address.

### Fiscal Treatment

The LLCs which have only one member have another fiscal treatment in the United States, other than the one applicable to corporations. Those LLCs are treated as a non-corporate entity which do not pay taxes at a corporate level as it occurs with normal corporations. If the only member of a LLC of Delaware is neither a citizen nor a resident of the United States of America, there are no tax implications in said country at the federal level nor at the state level, as long as all the business generated by the LLC is conducted outside the United States and the LLC does not own as sets in that country. If the LLC has more than one member, the tax implications of each particular case must be analyzed.

### Annual Tax

*Important: The content of this memorandum does not constitute legal advice and must not be considered as such. Specific advice must be requested regarding your specific circumstances.*

All the companies registered in the State of Delaware must pay an annual duty of US\$200.00

### **Continuation (“Domestication”)**

A company of any kind (including partner ships), a business association or business trust which are not from the United States may continue its existence as an LLC if so decided by its partners, shareholders, members or owners, in each case, and is permitted by the laws of the jurisdiction of the respective entity. Likewise, an LLC may transfer itself to another jurisdiction. In this case, the company may decide whether it shall also continue to exist as an LLC (from Delaware) or not.

### **Other requirements**

In the case where the LLCs do not have to pay taxes in the United States of America (see “Fiscal Treatment” Section), there will be no need to present an income tax return nor any accounting or financial information to the authorities of said country.

### **Incorporation Costs and Fixed Annual Costs**

The cost of incorporation includes: a certified copy of the Certificate of Formation, the standard Operating Agreement, standard subscribed by the members, the Members’ Incorporating Resolution, Membership Register, Incorporating Folder, Membership Certificates, seal and the first year of Resident Agent service. Annual maintenance fees includes the Registered Agent service and the annual license tax to the government.

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