

## MARSHALL ISLANDS CORPORATIONS

**Introduction.** Marshall Islands corporations are statutorily exempt from any corporate tax, income tax, corporate profit tax, withholding tax, asset tax, stamp duty or exchange controls.

**Company Law.** Marshall Islands corporations are governed by the Business Corporations Act, 1990 and regulated by the Registrar of Corporations.

**Name.** May be in any language as long as Roman characters are used. The words Limited, Corporation, Incorporated, Public Limited Company, Société Anonyme, Société Anonyme à Responsabilité Limitée, Sociedad Anónima, Berhad, Proprietary, Naamloze Vennootschap, Besloten Vennootschap, Aktiengesellschaft or the relevant abbreviations must be part of the name of the corporation.

**Points of Interest.** As with most offshore legislation, the Marshall Islands Business Corporations Act (BCA) contains provisions which provide for confidentiality.

- Corporations may issue bearer shares and are not required to disclose the names of shareholders, directors or officers to the Registrar, Registered Agent, or any other governmental authority in the jurisdiction.
- Unlike many offshore jurisdictions, however, the Marshall Islands statutorily exempts non-resident domestic corporations from taxes. Although the Marshall Islands' BCA is modeled after the corporate laws of the United States, certain provisions have also been borrowed from British law, such as the ability to appoint a Managing Director and Corporate Secretary. In addition, facsimile filings are permitted in the Marshall Islands and corporations are never required to have corporate documents acknowledged by a consular official.
- The Marshall Islands also permits corporate redomiciliation both into and out of the jurisdiction.
- A Marshall Islands corporation is not permitted to engage in insurance or banking business.
- A company incorporated in the Republic of the Marshall Islands has the same powers as a natural person.
- Audited financial statements are not required to be filed with the Registry.
- The official legislation is in English, and documentation must be expressed in English, but it may be accompanied by a certified translation in a foreign language.

**Corporate Documentation.** Once name approval has been obtained and Articles of Incorporation filed, clients will be provided with two copies of the Articles of Incorporation, Certificate of Incorporation, Initial Minutes, Shares Certificates and the By Laws.

**Corporate Seal.** Optional.

**Directors/Officers.** One Director and one Secretary, who can be the same person, is required. A natural person or corporate entity can be appointed. Directors must protect the company's interests, manage its affairs responsibly (such as maintaining its records), and comply with relevant laws.

**Issuance of Shares.** The share structure of a standard formation is 500 registered and/or bearer shares of no par value or up to US\$50,000.00 worth of par value stock. The minimum issued share capital is one share of par value. Registered and bearer, preference, redeemable shares and shares with or without voting rights are permitted. One shareholder is required.

**Economic Substance.** IBCs are required to file an annual Economic Substance report. This report must be submitted within 12 months of the anniversary date of the company. Any IBC that does not meet the filing deadline may be subject to penalties or annulment.

**Incorporation Cost.** The incorporation cost of a corporation with standard capital covers the following:

- Professional fees for the incorporation, duties payable to the local Government for the incorporation of the company and annual tax for the first year.
- Registered Offices and Registered Agent for the first year.
- Director fee for the first year.

**Annual License Tax.**

Annual License Tax paid to the government . . . . .US\$500.00

**IMPORTANT NOTE:** In accordance with regulatory and legal provisions, our firm maintains internal policies related to the processes of "Due Diligence" and "Know Your Client", as routine to avoid the occurrence of illicit activities, protecting our clients and our business.

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