

INTERNATIONAL BUSINESS COMPANIES

The International Business Company ("IBC") Act provides a modern simple and cost effective corporate vehicle designed to suit in most flexible terms the needs of international business persons. The IBC, although incorporated and domiciled in The Bahamas, is designed to facilitate the undertaking of legitimate business anywhere in the world whether in its role as a holding company, trading company, a private investment vehicle, insurance company for non-domestic business, or other uses, including its ability to form part of a more sophisticated structure involving a combination of trust, foundation or other specialized corporate elements.

Of particular importance, The IBC operates in a responsible environment for both due diligence and corporate governance requirements. As a part of the global effort to combat money laundering and all other illegal activities, a Bahamian IBC must have a Registered Agent which is a licensed entity under the Banks and Trust Companies Regulations Act or the Financial and Corporate Service Providers Act. Such Agents are under regulatory control of The Bahamas which requires that full compliance is maintained with established Know Your Customer standards. This information, although mandatory, is kept in confidential files of the Registered Agent. Further, every IBC is required to maintain a registered office in The Bahamas. The Directors may decide where the corporate records of the company are to be maintained and what they should consist of but copies of the Articles and Memorandum of Association, the Register of Directors and Officers and the Share Register must be kept at the Registered Office. A copy of the Register of Directors and Officers must be filed with the Registrar General's office. There is no public filing of the Register of shareholders.

Other key highlights of the IBC are provided below:

Company law	International Business Companies Act, 2000 with amendments.		
Corporate Legislation Source	English Law.		
Types of Company	• A company limited by shares and/or guarantee • An unlimited company • A limited duration company • A segregated accounts company (protected cell in some other jurisdictions).		
Classes of Shares	In addition to being designated as issued "without par value", shares may have rights attached as voting, non-voting, preferred, redeemable, redeemable preference shares or shares entitled to participation only in certain assets of the company, and may include options, warrants or instruments of a certain nature.		
Currency for Authorized Share Capital	Any	Minimum Number of Directors	1
Minimum Share Capital	None required	Corporate Directors Permitted	Yes
Standard Share Capital	US\$5,000	Corporate Secretary	Yes
Shares of No Par Value	Yes	Audit Required by Law	No
Minimum Number of Shareholders	1	Statutory Filing of Accounts	No
Bearer Shares	No	Filing of Annual Return	No
Stamp Duty	None	Certificates of Good Standing Available	Yes
Usual Incorporation Time	24 Hours	Ready Made Companies Available	Yes
Liquidation Procedure	Easy	Dissolution Procedure Available	Yes
Due Diligence	Yes		
Meetings	Annual General meetings ("AGMs") are not required. AGMs may be held anywhere inside or outside of The Bahamas and can take place by telephone. Directors meetings are discretionary. Directors entitled to vote on resolutions at a duly constituted meeting need not formally attend but may pass such resolutions by unanimous written consent signed by all of the directors (provided that there is no restriction thereon in the Articles). Directors may attend meetings by telephone or video conference.		
Company name	May end in Ltd., Corp., GmbH, Inc. or S.A. either in abbreviated form or in full.		
Reservation of Company Names	Yes (may be reserved free of charge for 90 days).		
Government Fees	Registration fee for registration of original Memorandum and Articles of Association with the Registrar of Companies – US\$330.		
Government Fees – Annual	IBC with authorized share capital of US\$0 to US\$50,000 – US\$350. IBC with authorized share capital of US\$50,001 and above – US\$1,000.		
Details held on public record	• Name of company • Date of incorporation • Memorandum and Articles of Association • Registered office and agent address • Directors and Officers • Authorized share capital and number of shares • Registered number • Register of Charges (optional at election of company).		
Taxation	An IBC and its shareholders are not subject to any income tax, corporate tax, business license fees or stamp duty on transactions concerning an IBC, except that stamp duty is payable in relation to real property situate in The Bahamas which it owns, or is owned by any company in which it holds shares or for which it hold a lease. Statutory exemption valid for 20 years from date of incorporation.		
Redomiciliation	By way of continuation in and outside the jurisdiction in accordance with the laws of The Bahamas and the laws of the jurisdiction from or to which the IBC is being continued.		
Liquidation/Dissolution Procedures	Voluntary and Court supervised procedures available.		
Exchange Control	No - unless an IBC does business with a person resident in The Bahamas or where a person who is deemed to be a resident of The Bahamas for exchange control purposes desires to purchase shares, debts or securities in the IBC.		

This is not a legal summary but intended to be an aid to understanding the Bahamian International Business Company.