

WHY YOU SHOULD
INCORPORATE
OFFSHORE



OFFSHORE

INCORPORATION

<p>Why Incorporate? <i>For legal protection of assets</i></p>	<p>Tax Efficiency <i>Legally mitigate your taxes by choosing where to pay tax</i></p>	<p>International Co. <i>Make your business more tax efficient for life</i></p>	<p>The Uses <i>Many and varied uses</i></p>
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THE USE & ADVANTAGE OF OFFSHORE

PROFESSIONAL SERVICES COMPANIES

Many individuals offering their services internationally can benefit significantly from using an Offshore Company. The Offshore Company employs the individual and contracts with the buyer of the services. The fees earned can accumulate offshore tax free. Payment to the individual may then be structured in such a way as to minimize personal income tax in the country of residency.

Typical clients include Consultants, IT professionals, engineers, designers, authors, entertainers and so on. Examples of clients are: servicing oil rigs worldwide; IT professionals designing software for banks in Mexico; engineers working in Japan, etc.

TRADING COMPANIES

Import/Export and general trading activities are one of the most popular uses of Offshore Companies. The Offshore Company would take orders from the supplier and have the goods delivered directly to the customer. The Offshore Company invoices the customer directly. The profits arising from the difference in the selling/purchase prices is accumulated in the tax free Offshore Company.

Our specialists have many clients trading in such areas as: products from China for sale in North America; health supplements purchased globally and sold online; buying and selling IT technology, medical equipment and supplies, handicrafts; and so on.



Example Company Types

- **Professional Services**
- **Trading**
- **Investments**
- **Holding Companies**
- **Dot Com**
- **Property Owning**
- **Shipping**
- **Employment Companies**
- **Intellectual Property**
- **Asset protection**

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INVESTMENT COMPANIES

Offshore Companies are popular vehicles for corporations and individuals to hold investment funds, including bonds, equities, cash, precious metals and so on. Individuals may also set up offshore investment companies for 3rd party stock trading or personal stock trading via the internet and/or to invest in managed funds.

High net worth individuals also often use offshore investment companies to hold portfolios in different markets, and currencies.

Aside from tax minimization, the use of such offshore investment structures provides for privacy and asset protection as well as diversifying a portfolio and minimizing risk by using and investing in multiple jurisdictions and currencies.

Examples of current clients' interests include trading equities on Ameritrade, Etrade, etc; managed investment accounts in Europe and Canada; Forex and hedge funds in London; global investment funds for 3rd party investments; and more.

HOLDING COMPANIES

Many clients use offshore Holding Companies to own and fund subsidiaries in various countries, implement joint venture projects, hold publicly quoted companies, and so on. It is possible, in certain circumstances, for capital gains arising from the disposal of investments, to be made free of tax. Subsidiaries may also benefit from tax deductions and interest paid on the funding provided by the Holding Company.

The clients hold interests in Hong Kong, Singapore and Latin America, as well as in North America and Europe. Several current clients combine the offshore Holding Company with a Trust owning the Holding Company, for asset protection reasons.

DOT COM COMPANIES

The set up company has many clients active in the IT area, with Offshore Companies developing, buying and selling software and other technologies. A current client has over a dozen such companies, all engaged in developing and implementing software solutions aimed at a public offering of the more successful technologies. Each technology is being developed through its own Offshore Company, to isolate each project in its own corporate vehicle, for asset protection purposes.

PROPERTY OWNING COMPANIES

There can be significant tax advantages to owning real property and land by an offshore company, including the legal avoidance of capital gains, inheritance tax, and property transfer taxes. It can also facilitate sales in that the property can be transferred simply by transferring the title to the individual owner, thereby reducing legal and other administrative costs.

Current clients have purchased property in the UK, South Africa, Europe the Caribbean and elsewhere, through the use of Offshore Companies.

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SHIPPING COMPANIES

The use of Offshore Companies to own or charter merchant ships and pleasure craft is very common worldwide. Shipping companies may accumulate profits in tax free offshore jurisdictions and, if each ship is placed in a separate Offshore Company, it can obtain significant asset protection by isolating liabilities to each individual ship.

The set up company has numerous clients in the US, Europe and Asia, operating ships on the high seas, owned by our offshore company structures.

EMPLOYMENT COMPANIES

Many companies use Offshore Companies to employ expat staff working on assignments throughout the world. This generally simplifies the administration of payroll and travel expenses, reduces the exchange problems which may exist in certain countries; and reduces the employee's tax liabilities which are usually related to remittances into the country.

INTELLECTUAL PROPERTY & ROYALTY COMPANIES

Intellectual Property can be owned by an Offshore Company. Examples are IT software, technology rights, music, literature, patents, trademarks and copyrights. The Offshore Company can then license or franchise the Intellectual Property rights to various companies or individuals around the world, interested in exploiting those rights. The resulting profits can accumulate tax free in the Offshore Company. Often, the rights are held by a Trust for asset protection purposes, with the Trust licensing the Offshore Company to exploit the rights.

Examples of clients include IT software, technology rights, authors, artists and more.

ASSET PROTECTION COMPANIES

In the United States, statistics show that a law suit is filed every thirty seconds. About 94% of the world's law suits are filed in the United States. With the changes in UK law, bringing it more in line with US litigation legislation, it is expected that the UK will substantially increase the number of suits that are filed.

On average, most professionals in the United States, be they a lawyer, owner, entrepreneur, doctor, company director, dentist or accountant, can expect to be sued every three years. Internet related law suits are also rising.

Any individual with liquid assets of over US \$100,000 should have an Offshore Company and offshore bank account for asset protection purposes. It is much more difficult and costly for lawyers and their clients to launch frivolous and/or dubious law suits in an offshore jurisdiction. One reason is that a local attorney must be retained and paid "up front", not on contingency. Often a substantial bank bond has to be placed with the government, to even implement a lawsuit. It can also (take years of waiting) to get into court in some offshore jurisdictions.

Some attorneys seek to check an individual's bank account balance in the US, before deciding whether to take on a case. In the US, this is easier than you may think but it is next to impossible in the offshore.

If you have substantial liquid assets you should consider a Trust which would own the Offshore Company. This will provide a greater degree of protection, at the least expense.

Such asset protection vehicles (for US citizens in particular) should always be tax neutral i.e. they should not be complex schemes to reduce taxes, as this will dilute the asset protection which is the main purpose of the structure.



IT'S PLAIN SAILING WITH OFFSHORE

What Is Offshore?



Simply put, any country other than the one where you live could be considered "offshore". Providing you are from outside the jurisdiction that you choose (both as a citizen or a resident) you can obtain some special financial or asset protection considerations.

If you live in the US, other countries are offshore.

If you live in the UK, other countries and the US are offshore.

More often than not however, "offshore" is used to describe a nation where there are either no taxes or low taxes for foreigners either personal or corporate.

Other Advantages

For anyone except Americans, the US can be an offshore haven of value. Banking, investment (trading/brokerage accounts) and financial activity are included in this. This includes real estate ownership, stocks and securities and bonds.

True offshore havens have created a **unique legal and tax climate** for foreign individuals and businesses.

They cater specifically to foreign business and investors. More than half the world's wealth resides in such asset havens.

Financial Privacy

Financial privacy, a stable legal climate and realistic regulations are the hallmarks of these jurisdictions

Recommended Jurisdictions

- Antigua
- Bahamas
- Belize
- Delaware
- Dominica
- New Zealand
- Nevis
- Panama
- St. Vincent
- Seychelles
- Dubai
- Monaco

