

HARRY B. SANDS, LOBOSKY & COMPANY

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MEMORANDUM ON COMPANY FORMATION

INFORMATION REQUIRED TO INCORPORATE

1. **Proposed Name of the Company**

We suggest a minimum of three choices be submitted listed in order of preference, so that one may receive approval from the Bahamas Registrar General.

2. **Aims of the Company and Area of Operation i.e. whether within or outside The Bahamas**

The Company must be registered with the Exchange Control Department of the Central Bank of The Bahamas if it has one or more shareholders who are non-Bahamians. If the Company is to trade outside The Bahamas and is non-Bahamian owned, it is entitled to be granted non-resident status. This status permits it to operate United States and other foreign currency accounts without further reference to the Exchange Control Department. If the Company is to trade within The Bahamas, it will be designated as 'resident,' for Exchange Control purposes and will be allowed to maintain foreign currency accounts only for specifically approved purposes. A non-Bahamian shareholder in such a Company can apply for approved status for his investment in the Company.

3. **Names, Addresses and Occupations of the proposed Shareholders**

Bahamian law requires a minimum of two Shareholders. The Company will be incorporated with nominee Shareholders from our office, but the Exchange Control Department will require the names and addresses of the ultimate beneficial owners of the shares.

4. **Names, addresses and occupations of the proposed Officers and Directors**

Neither Directors nor Shareholders need to be resident in The Bahamas.

We are required by our regulatory authorities to be supplied with certain information and documentation in respect of the owner or ultimate owner. All material will be kept in confidence unless disclosure is required under our laws. Attached is our client profile form. Please complete it and return it to us together with the documents required. Each beneficial owner of the company will have to complete one form.

5. **Capital**

The desired Authorised Capital of the Company and the number of Shares into which the Capital is to be divided is required.

6. **Further details re Corporate Structure**

Any further details regarding the proposed Corporate structure of the Company which is felt would be of benefit to this office should be supplied.

TIME REQUIRED TO INCORPORATE

We can normally incorporate a company that is Bahamian owned within three days but a company that is non-Bahamian owned requires two weeks' notice to effect the incorporation. The time factor is, to a great extent, influenced by the length of time taken by the Exchange Control Department to consider the application submitted to them.

COST OF INCORPORATION

Our minimum incorporation fee is \$1,000.00 for a Bahamian owned company and \$1,500.00 for a non-Bahamian owned company. Our charges are \$750.00 for applying for the necessary Exchange Control approval in the case of a non-Bahamian owner. In addition to these fees, there are out-of-pocket expenses of approximately \$700.00 to cover such items as company name reservation, the provision of the corporate seal and share certificate Book, etc. Included in these miscellaneous incorporation expenses is the sum of \$460.00 which is charged by the Bahamas Company Registry for the filing of the Company's Memorandum and Articles of Association and \$168.00 for obtaining a certified copy of the Memorandum and Articles of Association.

GOVERNMENT STAMP DUTY

Stamp Duty is payable based on the authorised capital of the Company. Stamp Duty scale is as follows: -

Every Memorandum of Association of a Company where the Capital is B\$5,000.00 or under	B\$	100.00
Every additional B\$1,000.00 or fraction thereof		6.00

ANNUAL GOVERNMENT BUSINESS LICENCE FEE

The Business Licence Act 1980 requires that companies carrying on business in The Bahamas must apply for a Licence under the provisions of the Act. Details of the fees charged will be supplied upon request. Non-Resident Companies are required to apply for a Licence under the provisions of Section 8 (3) of the Act. The annual Business Licence fee for Resident Companies will depend on the turnover and the annual fee for Non-Resident Companies is B\$300.00.

ANNUAL MAINTENANCE EXPENSES

The minimum maintenance expenses in connection with each calendar year amount to the following: -

- Annual Fee payable to the Registrar General of The Bahamas on 1st January each year: (Bahamian owned) \$350.00 (Non-Bahamian owned) B\$1000.00

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| 2. Our professional fee for maintaining the Registered Office and the Company's statutory registers; for drafting or perusing the Minutes of the Shareholders' Meetings; for preparing and filing the Annual Statement and for services offered by our nominee Shareholders (if any) | 600.00 |
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We require a retainer of \$2,500.00 on account.

To expedite formation we recommend you send the retainer by way of bank wire transfer to our Bankers.

When sending funds to us in United States Dollars please (a) advise your instructing Bank that the amount to be credited to our Bank in The Bahamas must be the amount listed on our invoice and (b) use the following routing instructions to ensure due deposit to our U.S. Dollar Clients Account at First Caribbean International Bank (Bahamas) Limited, Shirley Street, Nassau:

TO:

Wells Fargo, NA,
New York, New York, U.S.A. 10038
SWIFT CODE: PNBPUS3NNYC
ABA CODE: 026 005 092

FOR CREDIT TO:

First Caribbean International Bank,
Solomon Building, East West Highway,
Nassau, Bahamas
SWIFT CODE: FCIBBSNS
A/C No. 2000 192 005 416

FOR FINAL PAYMENT TO:

HARRY B. SANDS, LOBOSKY AND COMPANY
U.S. DOLLAR CLIENTS ACCOUNT No. 2-050-2413

NB: To avoid any possible delays, kindly request the remitting bank to wire transfer the funds to First Caribbean International Bank as an MT103 (Customer Payment Transfer).