

What is an offshore company?

Offshore or non-resident companies are described as companies that conduct an insubstantial or zero volume of business within their jurisdiction of incorporation.

More specifically, [offshore companies](#) have three characteristics: Firstly, they should be registered as an entity within the jurisdiction of incorporation. Secondly, the "incorporators" should be domiciled outside of the jurisdiction of incorporation. Finally, the company should transact exclusively outside of the jurisdiction of incorporation. However, most associate the term 'offshore company' as a means of increasing tax efficiency.

Why should I use SFM to open my offshore company?

1. Our professionals have more than 15 years of experience in offshore consultancy. During this time we have been able to develop a network of offshore service providers that remains unparalleled.
2. Our company is a member of many international tax planning organizations. We provide tailor-made advice to our clients, fully integrating the latest laws.
3. We are one of the most competitive offshore providers. For further information, please read "Our Guarantees" section.

Which jurisdiction should I choose for my company?

The most important factor in choosing a jurisdiction is to be sure that your company will be incorporated in a country that has a:

Reliable means of communication;

Political and economical stability;

Good reputation;

Sophisticated corporate laws;

All the jurisdictions we work with enjoy the above mentioned advantages. However, the right choice of jurisdiction also depends on where you live and on the business you conduct. Our staff can help you understand the different jurisdictions so that you may select which one makes the most sense with regard to your personal situation.

Generally, the Seychelles or Belize are well noted for their low fees, the rapid incorporation process and their excellent confidentiality. Some clients may also want to consider onshore jurisdictions such as Hong Kong, Cyprus or the UK to offer even greater guarantees to their clients or providers.

Why are your fees lower than those of your competitors?

Having our own offices or partners in the jurisdictions where we provide our services, we are able to offer straight-forward and competitive prices, thus we can avoid any intermediaries.

How can I settle my company fees?

You can either pay by bank transfer, credit card, cheque or banker's draft or also by cash at our offices, if you prefer.

Does my company have to provide accounts to any tax authority?

No, generally not. This is one of the main advantages of "offshore" companies.

However, in a few select jurisdictions, such as Hong Kong, Cyprus, Gibraltar and the UK for example, it is indeed mandatory for companies to produce yearly accounts and to have them audited, and in some cases, to pay taxes (please refer to our jurisdiction comparison table).

While a company may not be subject to tax reporting to its local authorities, from a personal standpoint it must not relieve you from seeking counsel from a tax advisor in your country of residence in order to assess the extent of your own obligations, if any.

Do I need to go to Switzerland to open my offshore company?

No. Our headquarters are located in Switzerland for practical reasons, but that does not mean that you will have to travel there to open your offshore company. Everything can be finalised by correspondence.

How long will it take for me to receive my corporate documents?

Every jurisdiction has its own incorporation timeframe. Please refer to our jurisdiction comparison table. Once the company has been incorporated, it will generally take about two to six days for the corporate documents to reach you.

Can I choose the name of my company?

Yes, It is even recommended that you do so. On the application form you are asked to input two company names, in order of your preference. We will then check with the Company Registry of the offshore jurisdiction if those names are available for incorporation. If not, we shall send you some alternative names. We also have a list of shelf companies or pre-approved names that we can send to you upon request.

What is a shelf company?

Off the shelf companies are corporate entities that have been established by a provider, who holds the company until a purchaser is found. Post transaction, the ownership of the company transfers from the provider to the third party, who then commences trading activity under the company name. The benefits of purchasing an off the shelf company include:

Reduction in the time it would take to create a new corporation.

The allowance of contract bidding (some jurisdictions require a fixed business age to allow this functionality).

The appearance of corporate longevity.

Note: Shelf companies are usually more expensive than newly incorporated companies because of their age.

What is a UK Agency Company?

The agency structure is a simple set-up where an onshore company acts as nominee or agent for an offshore principal. This avoids the problems often seen for offshore companies trading internationally. It offers an onshore “face” with all the offshore benefits.

The UK company is formed to operate as a nominee for the offshore company. In effect the UK company acts as an agent for the offshore company. The two companies sign an agency agreement specifying the exact terms of their agreement. All business is then conducted in the name of the UK company, but on behalf of the offshore company. Clients enter into a contract with the UK company, are invoiced by them and pay the invoices into the bank account of the UK company. Most of the income is then remitted to the offshore company according to the specificities of the agreement.

It should be noted that the UK company cannot trade within the UK or with any UK businesses. If it does then this income would be subject to UK taxation.

The agreement between the Principal and the Agent must be properly executed before the UK Company starts to trade:

The Agent must not trade within the UK or with any UK business.

The agreement must set out a proper commercial fee that also needs to be concretely paid out.

The Beneficial Owner of the offshore company should not be subject to UK tax.

The relationship between the UK and offshore company has to be purely commercial.

The success of this structure is owed to the fact that the agent pays corporation tax in the UK according to the amount received for its commission, after deductions on expenses. Therefore, the HMRC & Customs can only assess the UK company for taxes and it has no control upon all the revenue sent to the principal. This structure is completely legal, being accepted by the UK tax authorities, in English law and even after the G20 there are no imminent signs that can lead to a possible change.

What is the difference between a shareholder and a director?

The shareholder is the person who owns the company through a share certificate. A company can be owned by one or several shareholders. The shareholder can be an individual or a company.

The director is the person responsible for the management of the company. He will sign any business contracts, account opening forms etc. Directors are elected by the shareholders. A company can have one or several directors. The director can be an individual or a company.

Can the same person be a shareholder of the company and act as its director at the same time?

Yes. In most jurisdictions it is possible (and common) that the same person acts as shareholder and director of the company.

When do I have to pay my company's yearly fees (Renewal Fees)?

You will be asked to settle the yearly fees prior to each anniversary of your company, not at the end of each calendar year. To avoid any last minute rush, we will send you a renewal invitation two months before the anniversary.

Do I have to pay taxes on profit or interest earned by my company?

No. Most of the jurisdictions we work with do not impose taxes on profits made or interest earned by the company. Some, like Hong Kong or Delaware, only tax profits made within the jurisdiction, whereas Cyprus charges a 10% flat tax. While a company may not be subject to tax reporting to its local authorities, from a personal standpoint it mustn't relieve you from seeking counsel from a tax advisor in your country of residence in order to assess the extent of your own obligations, if any.

Who should use an offshore company?

An offshore company may be of interest to a great number of people and it may be used for various activities:

Businessmen:

Creating an offshore company allows you to begin an activity without having to deal with the set-up of a complicated infrastructure. An offshore company allows you to quickly create a stable structure with a simple administration and enjoy all the benefits of the offshore jurisdiction.

Commerce over the Internet (E-Commerce) :

Internet traders can use an offshore company to maintain a domain name and to manage Internet sites. An offshore company might be ideal for people whose business is on the Internet. You might choose to incorporate the registered office of your company in an offshore jurisdiction to take advantage of the various benefits offered by these jurisdictions.

Consultants / Counsellors:

You can also carry on your consultancy or counselling business through an offshore company. You will find it easier to manage your company, while being registered in a stable jurisdiction and benefiting from all the strengths of this jurisdiction.

International business:

International commerce can be carried out through an offshore company. It will handle purchases and sales operations. SFM can also arrange for obtaining a VAT number for companies that we register in Cyprus or in the United Kingdom.

Holding intellectual property rights:

Any kind of intellectual property right (a patent or trade mark) may be registered in the name of an offshore company. The company may also buy or sell this type of right. It may also grant rights of use to third parties against payments.

For the custody of movable and immovable property:

Offshore companies are used to hold both movable property (such as yachts) and immovable property (such as houses and buildings). In addition to confidentiality, the benefits and advantages they offer include exemption from certain types of taxes (e.g. inheritance tax). It should be noted, however, that some countries do not allow the acquisition of movable/immovable property through offshore structures and therefore those wishing to form an offshore structure are advised to check with a competent authority before proceeding.

For inheritance purposes:

An offshore firm that always stays afloat (provided all costs associated with running it are paid) may, in some countries, be used as a means of avoiding inheritance tax laws. With a view to optimising inheritance tax liability, the offshore structure may also be combined with a trust or a foundation.

Stockbroker/forex:

Offshore companies are very often used for share or foreign exchange transactions. The main reasons being the anonymous nature of the transaction (the account can be opened under a company name).

SFM wishes to make you aware that you ought to liaise with a tax advisor in your country of residence before setting up an offshore company.

Do I need to come to the bank in person to open an account?

You are not obliged to come in person to open a bank account. The whole procedure may be completed by post (apart from few exceptions). However, if you wish, we can organise a personal meeting with the managers of the banks we work with.

Does opening an offshore company mean that a bank account will automatically be opened for the company?

No. If you tick the bank account opening option, we shall in close collaboration with yourself choose the bank which most suits your needs from among our network of prime banks. The bank will then decide if the account can be opened, depending on how comfortable they are with the nature of your business and the personal information provided by you. However, in more than 95% of cases, we are able to open an account for our clients.

In which countries can you open a bank account for my company?

We can open bank accounts in Switzerland, the Seychelles, Cyprus, Panama, Belize, BVI, United Kingdom, Latvia and Hong Kong.

Which banks do you work with?

For legal reasons, we cannot disclose the names of the establishments we work with. However, be assured that we only work with first class banks, which are able to offer you all the services you may require (internet banking, anonymous credit and debit cards).

Is it possible to open a private account as well as an account in the name of my company?

Yes. We can also take care of opening a private account in addition to the account in the name of your company.

What fees apply for maintaining the bank account?

The banking fees depend on the establishment holding your account. On average the fees for maintaining the account come to around Euro 200 per year. As for us, we do not charge any further fees once the account has been opened.

Can I have a bank account in different currencies?

Once the bank account has been opened, you can choose a multi-currency account. This will allow you to keep several currencies in the same account. When a new currency is used, the bank will automatically open a "sub-account" so that you do not have to pay any exchange fees.

How can I use the funds from my offshore account?

As with any other bank account, the funds of your offshore company bank account will be accessible through credit/debit cards, cheques, Internet banking or withdrawal at the bank.

What is the Travel Cash Card?

The Travel Cash Card is a card issued by Swiss banks only. The main advantage of this debit card is that it is anonymous. You can therefore withdraw cash or buy goods without leaving any trace. An offshore company account can also have a Travel Cash Card.

What is a nominee director?

The nominee director service is used to ensure the highest degree of privacy and confidentiality, as the name of the director will appear in the corporate documents, in any business contract and eventually in the jurisdiction's business register.

Upon appointment of a nominee director, a Nominee Service Agreement will be signed between the client and the nominee. It will guarantee the client that the nominee can only act or sign documents upon the client's request and with the client's prior approval. Professional directors provided by SFM work with the highest level of integrity and confidentiality.

What is a nominee shareholder?

The nominee shareholder is appointed in order to shield the real owner of the company from being publicly associated with the ownership of that company.

Upon appointment of a nominee shareholder, a Nominee Service Agreement (declaration of trust) will be signed between the client and the nominee.

Nominee shareholders provided by SFM work with the highest level of integrity and confidentiality.

What is the Virtual Office?

The Virtual Office allows your company to have an address in Geneva, London or Hong Kong and to receive mail there, which, in some cases, can lend more credibility to your company.

We offer three different types of Virtual Office:

Standard Virtual Office

The Standard Virtual Office allows you to have a company address in Geneva, London or Honk Kong (with the mention "c/o") and to receive mail there.

Thus, the address would read :

"Company Name" c/o SFM

Rue du Cendrier 15

1201 Geneva, Switzerland

With or without a virtual office, your company will still have its registered address in the country of incorporation.

Virtual Office Premium

The Virtual Office Premium allows you to have a company address in Geneva, London or Honk Kong and to receive mail there. The Virtual Office Premium includes the company name on the post box.

Thus, the address would read :

"Company Name"

Rue du Cendrier 15

1201 Geneva, Switzerland

With or without a virtual office, your company will still have its registered address in the country of incorporation.

Full Virtual Office

The Full Virtual Office allows you to have a company address in Geneva, London or Honk Kong and to receive phone calls and faxes. The Full Virtual Office includes the company name on the post box, its

own phone and fax number, telephone answering in the name of your company by a secretary and call forwarding.

Thus, the address would read :

"Company Name"

Rue du Cendrier 20

1201 Geneva, Switzerland

Tel : +41 22 ...

Fax : +41 22 ...

With or without a virtual office, your company will still have its registered address in the country of incorporation.

What does "creation of company logo" mean?

Upon selection of this option, we will design and suggest five logos for your company. These logos can be designed according to the company's activity or without any theme in particular. You can choose one logo among the ones suggested. The logo will be sent to you in different formats and will be placed on the company's letterhead and business cards prepared by us.

What does "creation of company stamp/seal" mean?

Upon selection of this option, we will send you a stamp or seal bearing the company's name and address, as well as its logo, if this option was also selected.

What is the notarisation and Apostille?

A notarisation means that a notary will check all the documents we issue for your company and that he will confirm their authenticity.

An Apostille is an internationally recognised certification and legalisation of the corporate documents by the government of the jurisdiction where your company has been incorporated.

We highly recommend that you choose this option if you consider opening a bank account or if you need your corporate documents for any legal proceedings (such as concluding a contract, for example).

Information Source:

SFM Offshore Company Formation Services

<http://sfm-offshore.com>