

# Alexanders

## Barristers & Attorneys

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### INSTRUCTIONS FOR THE FORMATION OF A LOCAL LIMITED LIABILITY COMPANY IN BERMUDA

(Please read attached notes before completing)

1. Name of proposed company (Please give at least one alternative name)

(a) Limited or Ltd. (Please indicate preference)

(b)

(c)

2. Type of Company (Please supply description of basic type of business activities envisaged, e.g. commercial trading, retail, investment holding, insurance, tourism, hospitality, etc. and a brief comment, giving fuller details of the trade, insurance or other business activity proposed, as an addendum to this form). This information will support the notice which must be advertised as part of the incorporation process. Management company.

3. Beneficial Owner(s) (see Note 1 (d) )

(Please submit notarized photo identification, a bank reference and a recent copy of a utility bill or other verification of address (see Note 8))

Name (s)	Residential Address	Occupation	Nationality
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4. (a) Authorized capital of Company (we suggest BD\$2,500.00 - see Note 2 (a) ): **BD\$**

(b) Par value of shares (shares of no par value are not permitted): **BD\$**

(c) Amount of proposed call on the capital (as a percentage):

5. Allotment of share capital as it will appear in share register (Only fully paid shares may be registered in the name of a nominee). (See Note 6).

Name (s)	Residential Address	Nationality	Percentage
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6. (a) Persons to be elected Directors (see Note 5 (b) - Minimum number of Directors permitted is two).

Name (s)	Residential Address	Nationality
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(Please submit notarized photo-identification and bank references (see Note 6)  
**(Banking with BNTB.)**

- (b) Persons to be elected Alternate Directors **N/A**

Name (s)	Residential Address	Nationality
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7. Address of Registered Office of Company (normally provided by us at C/o Alexanders, Barristers & Attorneys, Belvedere Building, 71, Pitts Bay Road, Pembroke, HM 08, Bermuda).

Location of Share Certificates (usually in Minute book):
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8.

9. Name of Officers to be elected:

(a) President:

(b) Vice President:

10. Additional officers (if any). (These need not be directors):

(a) Assistant Secretary:

(b) Treasurer:

(c) Other:

- 11. Person to be appointed Secretary (this service normally provided by Alexander Management Ltd.).
- 12. Name of Auditors for annual audit on behalf of shareholders. (Under certain circumstances the appointment of an auditor may be waived).
- 13. Name of Accountant who will keep the company’s accounts and financial records. (Alexander Management Ltd. can arrange for the provision of these services – see Note 5 (c)).
- 14. Financial year end of company (if immaterial then at option of auditor or 31<sup>st</sup> December).

15. Bank account(s) required in Bermuda

- (a) Name of Bermuda bank:  The Bank of N.T. Butterfield & Son Ltd.  
 The Bank of Bermuda Limited  
 Bermuda Commercial Bank Ltd.  
 Capital G Bank Limited

(b) Signatories: \_\_\_\_\_ Titles: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(c) Number of signatures required:

N.B. Notarized Photo-identification and bank references must be supplied by all signatories (see Note 6)

16. A Retainer is required as payment on account in respect of preliminary incorporation disbursements in the event that this proposal is accepted. The amount required depends on the issued capital fixed for the company and should be discussed with us on submission of this questionnaire. Payment can be made to our Bermuda Dollar Client Account:

The Bank of N.T. Butterfield & Son Ltd., Bermuda  
 No.: **20006 060 019 879 100**  
 INO “Alexanders, Barristers & Attorneys”

**N.B.** Please have instructions state:

- (a) Name of the proposed Company
- (b) Name of Lawyer or contact at Alexanders

17. Will the company require registration of any e-mail or website addresses?

Please list below:

\_\_\_\_\_

18. Special instructions:

19. I/We hereby confirm the above instructions and request Alexander Management Ltd. incorporate a local Bermuda company in accordance with them.

\_\_\_\_\_  
Signature/Authorized Signatory

Date :

**NOTES ON THE FORMATION OF  
LOCAL COMPANIES IN BERMUDA**

1. Most local companies can be formed by registration within three weeks from the date when complete instructions are received at our offices. To enable our office to accomplish registration on your behalf, we will require the following:
  - (a) the proposed name of the company, preferably with two alternative names. The Registry is quite flexible and allows registration of names that are case sensitive (e.g. with certain letters or words in block capitals), or using plays on words or letters. Accordingly, please insert the name as you want it to appear;
  - (b) a full description of the intended activities of the proposed exempted company (as opposed to its objects and powers);
  - (c) the full names, including middle names (initials are not acceptable), residential addresses, occupations and nationalities of all beneficial owners and their proposed percentage of ownership of the proposed company;  
and
  - (d) Personal Declarations (as attached), completed and signed by each non-Bermudian proposed beneficial owner, for submission to the Bermuda Monetary Authority. If the parent of the proposed company is listed on a recognized stock exchange, these are not necessary.
  
2. Our standard fees for the formation and organization of a local company, incorporated by registration, are set out in the attached Form A. They are minimum fees. These fees do not include any additional work such as the drafting of special objects or bye-laws and also do not include disbursements in connection with the incorporation, which would be as follows:

Application Fee to Registrar - Consent	BD\$269.00
Filing Fee - Memorandum of Association	80.00
Filing Fee - Annual Return of Shareholdings	42.00
Annual Fee – (\$650.00 for full year: half (\$325.00) after 31 <sup>st</sup> August)	650.00
Stamp Duty - Memorandum of Association (on suggested capital of BD\$2,500.00)	<u>12.50</u>
<b>Total</b>	<b><u>BD\$1053.50</u></b>

NB: (a) The Annual Government Fee of BD\$650.00 plus filing fee of BD\$42.00 on issued share capital of less than BD\$50,000.00 (see Schedule B) is payable to the Registrar of Companies by 31<sup>st</sup> March of each year the company is in existence. The first payment is due upon application to incorporate the company.

If the company is formed between 1<sup>st</sup> September and 31<sup>st</sup> December the Annual fee for the balance of that year is reduced by half.

- (b) A fee for incorporation of \$269.00 is payable on application to the Accountant General, together with a filing fee of \$80.00 and ad valorem Stamp Duty of 0.5% on the capital (for the Memorandum of Association) and a \$42.00 filing fee for the Annual Return.
- (c) Advertising costs, printing, corporate supplies, normally amount to approximately \$300.00.
- (d) Miscellaneous disbursements of approximately \$50.00 (faxes, calls, photocopies, etc.).

3. The annual running expenses of a local company will be as follows:

- (a) The Annual Government Fee mentioned above (BD\$650.00).
- (b) Costs for the provision of directors, secretary and registered office of the corporate client. (The company must maintain a registered office at which the corporate and financial records must be maintained).

A local company must also have (a) a minimum of two directors, ordinarily resident in Bermuda; or (b) a secretary who is ordinarily resident in Bermuda and a director, other than an alternate director, who is ordinarily resident in Bermuda. Alexander Management Ltd. will be pleased to consider providing these services subject to negotiation. It is necessary to supply the full names, residence addresses, occupations and nationalities of all intended directors and officers.

Our fees for the provision of some or all of these services depend upon the responsibility and activities involved, and are normally settled by negotiation. Therefore, it is difficult at this stage to give a pre-estimate of such fees, although our minimum annual service fee is BD\$1,500.00 for the provision of corporate secretarial services and registered office. This is charged separately from the incorporation fees and is usually pro-rated to the end of the current year.

- (c) Bermuda company law specifically requires a company to maintain at its registered office, records of its financial affairs sufficient so as to show a true accounting on a quarterly basis and further, that such accounts be audited each year (subject to deferral). There is no requirement that such audited accounts be filed with any governmental authority or body, although they may be required be made available for inspection in certain circumstances.

4. Although the authorized capital for local companies must be issued, there is no legal requirement (other than in the case of those companies writing insurance) that the share capital be fully paid up. The costs of incorporation can and usually are capitalized. We insist that the share capital be fully paid up where we are requested to act as nominees for a beneficial owner or owners.

Should the need arise; the capital can be increased by simple resolution of the shareholders.

5. All local companies are normally designated by Foreign Exchange Control as "resident" for exchange control purposes. While these companies are free to deal in any currency of their choosing, including Bermuda dollars, they are subject to any exchange control regulations which may be applied.

6. In keeping with Bermuda Law and International requirements regarding Money Laundering and Proceeds of Crime, we are required to obtain satisfactory information regarding our clients before commencing a relationship.\* This information ensures that we are able to keep in close contact and provides protection for confidential arrangements. Accordingly, we require the following information on the ultimate beneficial owners of accounts established with us:-

- (i) A certified copy of a current photographic identification (e.g. photo page of passport or valid driver's license).
  - (ii) Permanent and alternate addresses and contact numbers (i.e. street and mailing addresses, telephone, fax, pager, cellular phone, email).
  - (iii) A minimum of two references attesting to integrity and financial standing. References relating to integrity will be accepted from professionals (e.g. lawyers or accountants) while letters relating to financial standing will usually be from a bank or financial institution. They should include statements regarding the length of time of relationship which should preferably be over three years. In the case of The Bank of N.T. Butterfield all references must be for relationships of over five years. For those companies whose ultimate beneficial owners are publicly listed companies, references are not required. In the case of non-public companies, background information is required on:
    - (a) the source of monies being used to fund the client's arrangements, and
    - (b) confirmation that professional tax advice on the proposed structure has been obtained in appropriate jurisdictions.
  - (iv) Biographical information such as a resume or curriculum vitae.
- N.B. The above information is treated as confidential and would only be disclosed to third parties under process of law or in connection with required transactional procedures in connection with the client's affairs (e.g. to support opening of bank accounts).

\*This information is not required for publicly-listed companies except for opening bank accounts.

8.

**PERSONAL DECLARATION**

Name of Entity in connection with which this declaration is being completed:			
Surname:			
Complete forename(s):			
Known by other name(s):			
Any previous name(s):			
Name of Spouse:			
Residential Address: (P.O. Box <u>not</u> acceptable)			
Country of Citizenship		Passport No:	
	Date & Place of issue:		
Date of Birth:	Day:	Month:	Year: Gender:
Place of Birth:	City:	Country:	
Occupation:			
Present Employer:			

1. A separate declaration must be completed and signed by each individual proposing to have a beneficial interest of 5% or more in a company to be registered. In respect of partnerships, a declaration is to be completed by the general partner(s), where the general partner is an individual.
2. Questions 1 - 6 must be completed by each individual proposing to have a beneficial interest of 5% or more in a company to be registered. In respect of partnerships, a declaration is to be completed by the general partner(s), where the general partner is an individual.

**IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS YES PLEASE PROVIDE DETAILS IN WRITING IN RESPECT OF THAT ANSWER.**

- |   | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| 1. Do you have any interest in any company or partnership registered or formed in Bermuda?    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have you ever been refused consent to register a company or form a partnership in Bermuda? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are you or have you ever been an undischarged bankrupt?                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you ever been convicted of a criminal offence involving fraud or dishonesty?          | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has fraud or dishonesty been proven against you in any civil proceedings?                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you ever been the subject of a judicial or other official enquiry?                    | <input type="checkbox"/> | <input type="checkbox"/> |

**Questions 7 - 10 must be completed where the entity proposed to be registered or formed is to carry on investment business or is a collective investment scheme.**

- |   | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| 7. Have you or any entity that you have been associated with, ever been refused or had revoked a licence, permit or other authorisation to provide investment business to the public in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are you a member in good standing of a self regulatory organisation?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8a. If yes, name the organisation(s):   |                          |                          |
| 9. Have you ever been the subject of investigation, proceeding or other enquiry by a self regulatory organisation of which you are or were a member?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Have you or any entity that you have been associated with, ever been refused or had revoked a licence, permit or other authorisation to conduct investment business in any jurisdiction?              | <input type="checkbox"/> | <input type="checkbox"/> |

I hereby certify that the information in this Declaration is true to the best of my information, knowledge and belief.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

**COSTS OF FORMING AND OPERATING A  
LOCAL COMPANY IN BERMUDA**

**(A) INCORPORATION**

Professional fee for incorporation (minimum)	\$2,000.00
Application for Consent – Registrar of Companies	269.00
Registrar of Companies Filing Fee - Memorandum of Association	80.00
Registrar of Companies Filing Fee Annual Return of Shareholdings	42.00
Annual Fees (see note and schedule below)*	650.00
Stamp Duty on Memorandum of Association) (on \$2,500.00)	12.50
Advertisement in the Royal Gazette (required for local companies - estimate)	65.50
Miscellaneous disbursements (corporate equipment, telephone, photocopies – est.)	150.00
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<b>TOTAL</b>	<b>\$3,260.00</b>
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Our professional fees cover standard incorporation procedures. Non-standard requirements, such as the drafting of special bye-laws and objects and transactions required as a matter of urgency are charged separately on a time-spent basis.

**(B) ANNUAL CORPORATE ADMINISTRATION FEES FOR  
MAINTAINING AN LOCAL COMPANY IN BERMUDA**

Government fees (see note and schedule below)*	\$ 650.00
Filing Fee	42.00
Registered office and Corporate secretarial services (Minimum)**	2,000.00
	<hr/>
	2,692.00
	<hr/> <hr/>
 Directorships (Minimum)	 \$ 1,000.00
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\* Payable on registration in the year of incorporation and each March thereafter. The fee is based on assessable capital (combining authorised share capital and share premium, if applicable). If incorporated in Bermuda between 1<sup>st</sup> September and 31<sup>st</sup> December the fee is reduced by half.

\*\* These fees are based on time spent at standard rates subject to the minimum and are invoiced annually in advance. Unless there is frequent activity, the minimum fee should be sufficient to cover minuting and corporate record keeping of the company for the year.

Accounting and Administration

Such services outside of standard corporate secretarial activities are charged on time spent. Hourly charges vary from simple bookkeeping to fees for professional services and average approximately BD\$150.00 per hour. Disbursements are charged separately.

**GOVERNMENT FEE SCALE**

<b><u>Issued Capital</u></b> <b>BD\$</b>	<b><u>Annual Fee</u></b> <b>BD\$</b>
Less than \$50,000	650.00
\$50,000 or more but less than \$250,000	970.00
\$250,000 or more but less than \$500,000	1,620.00
\$500,000 or more but less than \$1,000,000	3,225.00
\$1,000,000 or more but less than \$5,000,000	6,445.00
\$5,000,000 or more but less than \$10,000,000	12,275.00
\$10,000,000 or more	18,410.00

The Annual Return of Shareholders and Annual Government Fee should be delivered to the Registrar of Companies by 31<sup>st</sup> March annually, in addition to a filing fee of \$42.00 in respect of the Return.

JAFW October 2010