

Offshore

Many uses of Offshore Entities

- € Use an offshore corporation to file first position liens against assets and property.
- € By titling your property into an offshore entity, you can transfer real estate, cars, boats, and other property more easily by selling or transferring your stock in the entity, instead of re-titling the property when it is sold.
- € You can use an offshore entity account to segregate riskier investments from your other safer investments.
- € Segregation and privacy of assets from an ex-spouse, ex-business partner, or creditor
- € For those who want to establish a prenuptial agreement.
- € For those who want to protect retirement funds in case of bankruptcy.
- € Provides for the transmission of assets to the next generation in an efficient and discreet fashion.
- € An offshore entity can be used to purchase securities and precious metals worldwide that are not available to US citizens.
- € An offshore entity, in conjunction with nominee Directors and Officers, can allow you to conduct business transactions for your benefit, whenever you would prefer to remain anonymous.
- € By transferring assets out of harms way, different types of insurance costs can be substantially reduced.
- € For developers or investors who own problem properties or other volatile assets or businesses.
- € When used with your existing entity, there can in some cases, be a lowering of your company's state taxes.
- € Corporate debit and credit cards are easier to secure.
- € Some types of offshore entities are free from the heavy State and Federal regulations that can drive up the cost of doing certain types of business.

Why Go Offshore?

Here are some quick, short answers:

1. Privacy: Investigators cannot find your offshore assets; the bank secrecy act on the Island of Nevis is impenetrable.
2. US judgments are not recognized offshore; the courts of Nevis do not recognize US Court judgments against an entity incorporated in their jurisdiction.
3. US Federal Courts have no jurisdiction; US Federal Court judges have no power or authority outside the US borders. IRS liens are not recognized offshore. Seizure warrants from the US Customs Service are not recognized offshore.
4. Invisible Corporate Ownership: An offshore entity can issue bearer shares and nominee officers allowing its owners to be completely anonymous.

5. Elimination of Government Interference: A Nevis corporation can conduct business anywhere in the world without interference from the Nevis government. The annual renewal fee to keep the corporation in good standing is nominal.
6. Reduction or Elimination of Taxes: The Island of Nevis will not tax your corporation. Proper planning allows for the reduction of any US taxes.
7. Additional Investments Opportunities: Many international stock offerings and mutual funds cannot be sold to US citizens, but they can be sold to an offshore entity with an offshore brokerage account.
8. There are many uses for an Offshore Entity:
 - a. The entity may have offshore debit or credit cards that are honored worldwide at all banks and ATM machines.
 - b. The entity may loan you or your business money and protect certain assets with a mortgage or lien granted as security for the loan.
 - c. It may own certain vehicles, boats, second homes allowing you to segregate these assets from other riskier assets.
 - d. With planning, it can protect you from the financial fallout of a divorce.
 - e. Visiting your offshore location is always informative and fun. And for some it serves as a second home or retirement hideaway.

The International Business Company

An International Business Company (IBC) is a corporation that is referred to as a company, usually in a tax haven, that is authorized to do business worldwide excluding the country of incorporation.

For our purposes, we use IBCs formed on the Island of Nevis. They are an independent nation/state. Specifically, we have offices in Charlestown, staffed by local paralegals and attorneys that form and service Nevis IBCs.

An IBC is an international operating company as opposed to a domestic company such as a Nevada Corporation. The operating structure of an IBC is very similar to the structure of a Nevada Corporation with shareholders, Directors, Officers and bearer shares.

What can an IBC do?

1. Engage in commerce.

An IBC can promote and market goods and services worldwide except as may be restricted under the company act of the country of formation. Generally speaking, a Nevis IBC may have an office and a bank account in Nevis, but if it does more than this at the local level it will be treated as a local company and taxed accordingly.

Many people first learned about the use of IBCs with the advent of the internet when offshore entities launched online gambling and adult websites from offshore locations.

2. An IBC may act as a leader.

An IBC can make money by loaning money to individuals or other corporations. Conversely, it can borrow money. Many of my clients protect the equity they may have in their US properties by borrowing from an IBC and recording a mortgage on the applicable US property with the IBC as the lender/mortgagee.

3. An IBC can own real property.

An IBC can take title to property anywhere in the world, unless there are local restrictions. For instance, take title to properties in the US in the name of an IBC using a nominee officer to insure complete privacy.

4. An IBC may enter into lease agreements.

An IBC may enter into almost any kind of lease agreement for real property interests, automobiles or equipment anywhere in the world.

5. An IBC can open a brokerage or bank account.

In the US, most banks or brokerage firms will require a W8 Certificate of Foreign Status form generated by the Internal Revenue Service to be filed with the application to open an account. This is necessary because the IBC has no Employer Identification Number (EIN) in the US. A copy of that form is available at www.IRS.gov.

6. An IBC may act as a trading company.

With the explosion of commerce on the internet, many people are using IBCs to take orders from customers, do invoicing, complete fulfillment and drop ship orders. Profits are then realized in the offshore location that may have a more favorable tax structure.

Generally speaking, an IBC may engage in any lawful activity not restricted by the country of incorporation or the jurisdiction in which it desires to operate. This would include consulting services, marketing, financial and legal services or other professional services.

Features of an IBC

1. There is no requirement for a formal annual meeting of Directors or shareholders. All meetings can be informally fulfilled by email or telephone and ratified after the fact.
2. Multiple classes of stock may be issued and there is an option for bearer or non-bearer shares.
3. The company may operate with one person filling all the positions for Officers and Directors.
4. There is no limitation or restrictions upon the nationality, citizenship or residency of its Officers, shareholders or Directors.
5. There is no requirement that any Officer or Director be a shareholder.
6. There is no requirement to publicly file the names of the Directors, Officers or shareholders of the company.
7. There is no requirement to file financial statements or annual tax returns.
8. The IBC is not subject to Exchange Control Legislation.

Nevis does limit the IBC with regard to the following activities:

1. An IBC cannot carry on business with residents of Nevis
2. It cannot own any interest in real property located in Nevis. However, it may lease office space anywhere on Nevis.
3. It cannot carry on banking or trust business.
4. It cannot carry on an insurance or re-insurance business.

The Nevis bank secrecy laws have served as the model adopted by almost all of the offshore havens. Nevis relies on two industries for their income: tourism and financial services. Therefore, it is in their own self interest to protect their customers' privacy and assets to maintain their status as one of the most desirable offshore events.

In the past few years, the offshore business has become very competitive. Small islands like Dominica and others have begun actively soliciting US citizens for their offshore business hoping to generate revenue for their countries. The Nevis government is sensitive to this fact and has worked to enforce and strengthen their laws protecting people's privacy.

Commonly Asked Offshore Questions

Q: Is there work offshore?

A: Yes, many third world or emerging countries are in dire need of people who have technical, teaching, and sales skills. If you can operate, program, or repair a computer, your skills are needed. There is also a big demand for teachers who can teach children and those who can teach English to children and adults.

Q: Is Switzerland still a good place for a secret account?

A: No, Switzerland has too many contacts with the US allowing the US Federal Government to force them to divulge information on any of their accounts. For instance, UBS PaineWebber refers to the Union Bank of Switzerland that has bought the brokerage firm placing them under the purview of all US Federal regulatory agencies.

Q: Can I legally have dual citizenship?

A: Yes, you can have dual citizenship. The best way to do it is to repatriate in the land of your forefathers, which can be done through the assistance of the branch of their US embassy.

Q: How can I find out about or check out offshore people and their business connections?

A: The best way to check someone out is to make contact with a local banker, attorney or embassy officer who knows the local politics and people. You can also research these people on the internet.

Q: Are any foreign bank accounts insured?

A: Foreign banks are not usually insured like the FDIC insures US banks. There is a scam floating around called the International Deposit Indemnity Corporation (IDIC) that purports to insure deposits of banks in Grenada, Nauru and other offshore areas. This is not a real thing and does not afford

protection of your accounts. Our company opens accounts at a brokerage house in the Caymans that carries private insurance with the Lloyds of London covering up to \$20 million per account.

Q: Can I avoid US taxes by moving out of the US?

A: No, US citizens are required to report and pay taxes on any income they generate worldwide. Ignore offshore promoters selling trust, family limited partnerships and foundations with the promise you no longer have to pay income taxes. They are a sham and against the law.

Q: What is the best way to transfer money from the US into a foreign account?

A: Our Company provides these services by wiring funds from a corporate escrow account to the client's offshore corporate account giving our clients total anonymity.

Q: Can I safely buy property outside the US?

A: Real estate is a major investment and one that should be done right the first time. Be sure that you have a clear title, which usually entails all related family members signing off on the deed. Get a competent local attorney to do your due diligence and title work. A local banker in the offshore haven you have selected will usually give you a reference.

Q: Do I have to show ID to open a brokerage account?

A: Yes, you will need to produce a notarized copy of your passport and a bank reference letter.

Q: Are the 'offshore opportunity seminars' offered by various groups legitimate and can I be safe in investing with people offering products through them?

A: No, most of them are scam artists or lawyers looking to make a fast buck.

Q: Are foreign banks and brokerage houses secure from seizure by a US Federal judge or collection agency?

A: Yes, in its simplest terms, US courts do not have jurisdiction outside the US. Of course, if they learn of a debtor's offshore account that can make a legal claim in the host country to try to recover the funds, but by then any savvy debtor will have moved his money to a different jurisdiction.

Q: Does my credit history follow me outside the US?

A: Yes, the internet allows anyone worldwide to ascertain the credit history of anyone.

Q: Are foreign banks or brokerage houses required to report any activities of an IBC to the US Government?

A: No

Q: What countries grant citizenship and how?

A: There are several ways to obtain the citizenship of a foreign country. One is to be a descendant of a family member of that country. Most foreign countries, especially Ireland, Germany and Italy, are happy to welcome you home. You can contact the nearest embassy of that country and ask them their policy and procedure for repatriating your citizenship to your native land.

If you would rather have a new native land, then you can pick one of several countries that offer citizenship to financially solvent people who deposit anywhere from \$50,000 to \$100,000 in their high interest bearing bank accounts, or show the ability to financially support themselves and create opportunities for less fortunate natives.

Q: Should I apply for a passport if I do not have one?

A: Yes, an application and instructions are available at:

http://travel.state.gov/passport/passport_1738.html