BRITISH VIRGIN ISLANDS “BC”

GENERAL INFORMATION

The British Virgin Islands (“BVI”) are a group of 40 islands and islets located in the Caribbean 60 sea miles east of the Island of Puerto Rico and easily accessible by airplane. The area is 153 square kilometers with the best-known islands being Tortola, Virgin Gorda, Anegada and Jost Van Dyke. Tortola, or “land of turtle doves,” is the largest of the BVI island group, is host to the capital, Road Town, and is composed of large rolling hills and beaches, rising 1,780 feet at Mount Sage. The resident population is approximately 21,000 of which the majority lives in Tortola and enjoys a tropical climate.

The BVI is a British Crown Colony with its corporate law based on the English common law and has an excellent reputation of political stability.

HIGHLIGHTS OF BVI BC COMPANIES


The following types of companies can be incorporated under the BVI BC Act:

- company limited by shares (with or without par value)
- company limited by guarantee (authorized and not authorized to issue shares)
- unlimited company (authorized and not authorized to issue shares)
- Restricted purposes companies
- Segregated portfolio companies

All the shares that on this date are not duly deposited with an authorized or recognized custodian will be considered disabled, which means that the person who has the shares will not have any rights over the company, will not have rights to vote or rights over dividends and they will not have the ability to transfer ownership.

MOVEMENT OF FUNDS

There are no exchange controls in the BVI and corporations may transfer funds with complete freedom. Transactions may be carried out in any currency desired. The main currency is the U.S. Dollar.

CORPORATE REQUIREMENTS

Name: BC names must contain the endings Corporation, Incorporated, Sociedad Anónima, Société Anonyme, Limited, or their abbreviations. Chinese names together with their English translation can be registered in the BVI. Numbers are permitted as part of the company name together with foreign characters.

The name must not include words such as bank, insurance, assurance, reinsurance, trust, trustee, cooperative, royal, imperial, municipal, chartered, building, society, chamber of commerce, securities, fund, names associated with the Crown, or their derivatives, except with the written approval of the FSC and the obtainment of a license, where required. A company name can be verified by direct computer link with the Registry and confirmed within one hour of being requested. The incorporation will usually take two (2) to three (3) working days.

DISCLAIMER

Information contained in this publication does not constitute any kind of advice on any particular matters and should not be considered as such. Andersen & Asociados accepts no responsibility for clients' decision.
Incorporator: All companies must apply to the Registry for incorporation by filing a memorandum and articles of association signed by the proposed registered agent, as incorporator.

Number and Classes of Shares: The “authorized capital” and “share capital” concept no longer exists under the BVI BC Act. The BVI BC Act specifies the requirement for the memorandum to state the maximum number of shares that the company is authorized to issue.

All companies must state the classes of shares it is authorized to issue, and, if the company is authorized to issue two or more classes of shares, the rights, privileges, restrictions and conditions assigned to each share.

Registered Office / Agent: Every BC company must have a Registered Office and a qualified Registered Agent in the BVI. ANDERSEN & ASOCIADOS may provide a qualified Registered Agent and Registered Office.

Shareholders: A minimum of one shareholder is required. Corporate or natural shareholders are permitted. No details of the shareholders appear on the public file but a register of shareholders must be kept at the registered office address of the BVI Company.

Directors / Officers: The first registered agent must appoint a director within 6 months of the date of incorporation of the company. A person shall not be appointed as Director unless he or she has consented in writing to be a director. A company shall have one or more directors and the number of directors may be fixed by the articles of the company.

Where a company has a sole member acting as the sole director, that person may appoint a Reserve Director who will become the director of the company upon the death of the sole director. The Reserve Director must consent in writing to act as director.

Register of Members: As specified in the BVI BC Act, all companies MUST AND SHALL keep a register of members. The Register by itself or a copy must be kept at the registered office, and as prescribed by law and in our M&AA’s, the registers may be written in magnetic/electronic form, as long as legible evidence can be produced.

The registers of members must contain the following information:
- Names and addresses of the shareholders (registered shares)
- Number of each class and series of registered shares held by a shareholder
- Number of each class and series of bearer shares held by a shareholder
- Information with respect to bearer share certificates, including the name and address of custodian
- Date when the name of each member was entered in the register
- Date when any person ceases to be a member

Company Records: The Registered Agent must maintain the following documents at its office: the company’s M&AA, the Registers of Directors and Members or copies of the same and minutes of meetings and resolutions of members and directors unless the directors resolve otherwise and they must advise the registered agent within 14 days where they are being kept.

If the Registered Agent is only in possession of copies of the registers, the company is obliged to advise the agent of any changes to these registers within 15 days of any changes made. The Registered Agent must also be advised in writing of the location of the original registers. A company that willfully contravenes the above commits an offense and is liable to a fine of US$10,000.

Continuation: The BVI BC Act establishes that a company that desires to continue under the jurisdiction of the BVI will have to file satisfactory evidence that the law of the foreign country permits the migration of the company.

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TAXATION & FEES

BC companies are exempt from all taxes on capital, corporate profits, personal income, sales, inheritance or dividends, except for the annual license fee as follows:

$ 350 if at the day of the annual payment:

• The number of shares not to exceed 50,000
• Some or all of the company’s shares have no nominal value
• The Memorandum does not permit the issuance of bearer shares

$ 1,100 if at the day of the annual payment:

• The number of shares of the company exceeds 50,000
• The Memorandum of the company allows the issuance of bearer shares.

ANNUAL LICENSE DUE DATE AND PENALTIES AFTER THE FIRST YEAR OF INCORPORATION

<table>
<thead>
<tr>
<th>DATE OF INCORPORATION</th>
<th>ANNUAL LICENSE DUE DATE</th>
<th>10% SURCHARGE</th>
<th>50% SURCHARGE</th>
<th>STRUCK-OFF FROM REGISTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN 1 – JUNE 30</td>
<td>MAY 31</td>
<td>JUNE 1 – JULY 31</td>
<td>AUG 1 – OCT 31</td>
<td>NOV 1</td>
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<tr>
<td>JULY 1 – DEC 31</td>
<td>NOV 30</td>
<td>DEC 1 – JAN 31</td>
<td>FEB 1 – APR 30</td>
<td>MAY 1</td>
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