

Corporate INTL

corporate international

Corporate INTL Magazine
can now be read in its entirety online
Please visit www.corp-intl.com for
more information on our FREE e-mag

Expand your horizons

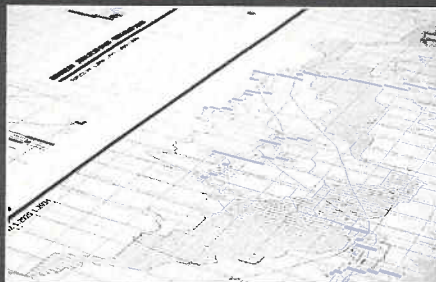
Maximise international opportunities

Company Formations



In association with
Diaz, Reus & Targ, LLP

Stock Exchanges



A Closer Look at World Markets

COMPANY FORMATIONS IN ASSOCIATION WITH DIAZ, REUS & TARG, LLP

Businesses today are increasingly realising the benefits of establishing operations overseas, with some forming foreign holding companies for tax purposes. But when the decision has been made to set up business in a foreign jurisdiction, it is important to consult a professional adviser early in the process – to help navigate any cross-jurisdictional issues that may arise. Failure to do so can result in the move being executed poorly, or even discarded as a viable route to growth.

There are myriad factors to consider when going through the process of a company formation. When setting up a public or private limited liability company, for instance, the submission of important charter documents is required, including the Articles of Association, which contain fundamental provisions such as company name, company objectives and powers, and its original share capital. In addition to this, the company will need to be listed at the relevant company register in order to be defined as a legal entity.

The timescales for a company formation can vary widely, ranging from a matter of days to over a month. For example, when incorporating a company in Luxembourg, the entire process usually takes around one week; whereas in the Dominican Republic, it takes approximately 45 – 60 days, due to the mandatory completion of various additional formalities. These include arranging for the publication of the company name in the monthly publication of the National Office of Industrial Property – a process that can take ten days to complete in itself.

Establishing an offshore operation can have many benefits. Sometimes, a business may be structured so that profits are realised, but overall tax liability is minimised. Another key advantage is that most jurisdictions make it relatively simple to set up and maintain companies. In addition, most offshore jurisdictions tend not to impose "thin capitalisation" rules on companies, thus allowing them to be formed with a purely nominal equity investment.

Key prerequisites for most people selecting an offshore jurisdiction are political and economic stability, and assurance that business can be conducted without barriers and with certainty, confidentiality and corporate security. The most essential criteria are: the legislation is modern, flexible, and well-proven; with respect to issues such as low share capital requirement; minimal reporting obligations; flexibility to hold members' and directors' meetings anywhere in the world; and the opportunity to appoint nominee shareholders and directors.

Jurisdictions around the world can be categorised as either treaty jurisdictions or non-treaty jurisdictions. Any persons wishing to reap the benefits from a double tax treaty must establish a company situated in a treaty jurisdiction. This is essential for minimum withholding tax on dividend payments, and royalties from contracting states. Treaty jurisdictions also convey a non-offshore image, which is more appealing for some. A non-treaty jurisdiction is mainly used in the absence of corporate taxes on the company's profits, and usually

only requires companies to pay a fixed annual licence fee. It is important to assess the taxation implications for the business, and to decide whether a treaty jurisdiction is required.

Diaz, Reus & Targ, LLP - www.diazreus.com

Diaz, Reus & Targ, LLP (Diaz Reus) is a full-service international law firm with offices in the United States, Latin America, Europe, Asia and the Middle-East. Built around decades of combined experience in the private and public sectors, the firm's attorneys, solicitors and consultants have forged a truly international law firm.

The firm's transactional practice group assists in domestic and cross-border corporate investment, trade, regulatory, real estate, tax planning and immigration issues. Diaz Reus' partners' foreign language capabilities, multicultural backgrounds and wide-ranging experience assist in navigating diverse legal and foreign environments.

Notable clients include prestigious Fortune 500 companies; private individuals and investors; institutional lenders; and multinational corporations, including traditional and non-traditional financial institutions headquartered throughout Latin America, Europe, Asia and the United States; as well as energy, technology, publishing and manufacturing concerns; and Sovereign States and government entities.

Michael Diaz, Jr., managing partner at Diaz, Reus & Targ, LLP, commented: "The State of Florida, particularly the Miami-Dade region, is a major trade gateway between North America, Latin America, the Caribbean, and other world regions. The State welcomes foreign investments and trade. According to Enterprise Florida's latest statistics, the total value of holdings by foreign-affiliated companies in Florida was approximately \$39.3 billion in 2006. Miami ranks second only to New York as a US centre for international banking. Over 80 foreign and domestic banks have operations in Florida, including six of the ten largest banks in the world. Additionally, Florida is becoming a destination for high-technology firms. According to Enterprise Florida's latest statistics, Florida ranks third among all US states in high-tech exports, exceeding \$14.3 billion in 2007."

Mr. Diaz added: "Florida is the world's telecommunications gateway to Latin America and the Caribbean, as evidenced by the numerous underwater and terrestrial fiber optic cables converging upon Florida. There are over 50 airports in the State of Florida, including major international airports providing for direct flights between the State and key Latin American and Caribbean cities, and one-stop services to the Asia/Pacific Region. Florida also has 14 deepwater seaports with the capacity to move people and goods internationally, and therefore stands as an unparalleled vantage point for entry into the region by overseas investors."

Diaz Reus provides legal assistance in all matters relating to business entry strategy and company formations within the State of Florida and the United States, and can assist with a myriad of additional, international corporate matters.

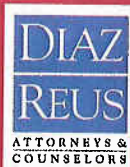
See the following pages for firms in various jurisdictions, and their expertise in company formations.

Boarding Pass



USA

Michael Diaz, Jr.
Managing Partner
Diaz, Reus & Targ, LLP
+1 (305) 375-9220
mdiaz@diazreus.com



Diaz, Reus & Targ, LLP is a full-service international law firm with offices in the United States, Latin America, Europe, Asia and the Middle-East. Built around decades of combined experience in the private and public sectors, our attorneys, solicitors and consultants have forged a truly international law firm with clients comprising Fortune 500 companies, private individuals and investors, institutional lenders and multinational corporations.

The State of Florida is an international centre. The region's infrastructure of international airports, seaports and advanced high speed and wireless network accommodates global needs for transportation and communication. Additionally, Florida's many international trade offices, bi-national chambers of commerce and Federal and State foreign trade offices provide valuable resources for foreign companies and investors to assist in their transition in the State of Florida.

With qualified advice from Diaz, Reus & Targ's legal and tax professionals, establishing an affiliate or subsidiary operation or firm in the State of Florida can be a seamless and highly beneficial process. Foreign companies and investors are permitted to conduct business in Florida and hold ownership interests in registered corporate entities. Foreign

companies, if in compliance with Federal and Florida laws and regulations, may register and qualify to conduct business within the State. Generally, business organisations permitted to be established in the State of Florida are limited liability companies, Subchapter "C" corporations and Subchapter "S" corporations (potentially a tax favourable entity), limited partnerships and general partnerships, and business trusts.

Depending on the specific needs of each company with respect to central management issues, ownership structure and capitalisation issues, each business entity or organisation has its advantages and disadvantages from corporate law and tax perspectives. The State of Florida imposes corporate income taxes; however, with proper planning and counsel from attorneys and tax consultants, an appropriate entity can be structured to make use of the many advantages inherent in Florida's corporate laws, and to minimise Federal and State taxes.

In order to qualify as an eligible Subchapter "S" corporation, a corporation must, among other things, (i) be a US domestic corporation and (ii) have no nonresident aliens or foreign entities as shareholders. Certain Federal regulations prohibit foreign-owned enterprises from engaging in business activities or holding ownership interests within defined industries. However, with proper guidance from our attorneys and government consultants, foreign clients can better understand the regulatory schemes and formulate a global strategy that complies with such regulations.

In addition, Diaz, Reus & Targ's corporate and tax attorneys will be able to assist foreign investors and companies in navigating through the regulations imposed by Federal and State corporate and tax (US and international) laws. Following review of the parent company's organisational structure and the client's business needs and goals in the United States, our professionals can: establish a corporate structure that complies with legal and tax requirements, eradicate regulatory issues, and minimise negative taxation consequences.

Our attorneys and paraprofessionals can provide comprehensive guidance throughout the company registration process, the business and occupational licensing application process, and the preparation of corporate charter and organisational documentation – including the capitalisation and subscription instruments, and the issuance of stock and share certificates that meet the requirements of the Securities and Exchange Commission and the Florida Statutes.



ARGENTINA

Pablo Sergio Varela
Partner
Estudio Psv Consultores
+(54 11) 4493 3600
psv@estudiopsv.com



Similarly to other South American countries, the financial markets in Argentina have not been spared the ramifications of the global financial crisis. However, the origins of the economic recession in Argentina date back to 2001, and although we have suffered its consequences since then, the situation showed significant signs of improvement some three or four years ago. Argentina's economy has therefore since, by necessity, adapted to become one of the most resilient and therefore attractive jurisdictions in the world for strategic business transactions.

Argentine tax benefits are one such reason why the region's business community proves attractive to foreign investors. In some areas, certain activities are entirely tax-exempted (for example, in Tierra del Fuego). In addition to this, there is specific tax legislation in Argentina for certain activities, such as afforestation, the mining industry and fishing.

ESTUDIO PSV CONSULTORES, which was founded 20 years ago,

assists overseas businesses and investors throughout the full company formations process in Argentina, providing the most expedient advice in areas of tax matters and company law requirements pursuant to the Argentine legislation.

The firm provides advice to a significant number of national ventures, and it also derives part of its work from international associations such as the Network of International Leading Firms (LEGUS), of which ESTUDIO is the Argentine representative. In addition to this, we are permanently in connection with prestigious law firms from other countries which are part of the MERCOSUR (the "Market of the South" comprising Brazil, Uruguay, etc).

Company formations in Argentina can be complex, and therefore require specialist expertise to successfully complete without complication. If a foreign company wishes to be shareholder of an Argentine company, it is required to comply with certain legal requirements (for example, the Resolucion General - IGJ - 7/05 of which ESTUDIO's partners can provide more information). Also, in order to successfully incorporate a foreign company in Argentina, it is mandatory to exhibit important documentation, such as the memorandum of association and its amendments, and to obtain certain information such as the company's headquarters, and its capital and representation.

For many years, ESTUDIO has given advice to leading business entities relating to setting up a company in Argentina. Not only do we make it possible for foreign investors to set up a business, but we also help to navigate the complexities and peculiarities of the national legislation, to afford investors with a more comprehensive understanding of the rules and regulations. A key focus of ours is to assist investors with tax legislation, and to arrange their contributions so that they pay less tax in accordance with the Argentine legislation and the international double tax treaties. We have other legal areas of expertise, including administrative and judicial proceedings related to tax and labour matters, among others, and we also provide accounting and external auditing services.

DIAZ REUS

ATTORNEYS &
COUNSELORS

GLOBAL APPROACH, COMPREHENSIVE SOLUTIONS

Diaz Reus is a full-service international law firm based in Miami with offices in Latin America, Europe, Asia, and the Middle East. Our Firm's attorneys focus on international trade and business transactions, complex commercial, civil and criminal litigation, and arbitration matters. The Firm's clients include foreign governments and officials, financial institutions, multinational corporations, and entrepreneurs. For more information, visit the Firm's website at www.diazreus.com.

WHAT OUR CLIENTS SAY ABOUT US:

"An unmatched champion in international arbitration and cross-border litigation."

-Rafael Leonardo Callejas, Former President of the Republic of Honduras and President of the Honduran Soccer Federation (FENAFUTH)

"Immediate, efficient, and effective response to complex, multi-jurisdictional, intellectual property disputes."

- BenQ (Qisda)

"In-depth understanding of local cultures in the region ensuring an effective, immediate, and measured response."

- Canon Latin America, Inc.

"I have never worked with a more dedicated and professional group than yours!"

*- The Conrad Group,
Emerging Market Investment
& Strategic Advisory Services*

MIAMI

DUBAI

SHANGHAI

CARACAS

BOGOTA

FRANKFURT

