



## GENERAL INFORMATION

### Location

Located nearly midway between Indonesia and Hawaii, the Marshall Islands are the eastern-most island group in Micronesia. The Marshall Islands cover approximately 2 million sq. km in the Central Pacific Ocean, with two 1,280 km long parallel chains of atolls and volcanic islands separated by 179 km of sea. The Islands feature sandy beaches ringed by coconut laden palm trees, and surrounded by crystal-clear lagoons teeming with tropical fish, giant turtles and colourful coral.

### Population

The islands have a population of just over 43,000 most of whom live in the capital Majuro.

### Political Structure

The islands were settled some 4,000 years ago. In the 16th century, the Spanish were the first in a long series of visitors. Later, Russian navigators visited the Islands more extensively. It was not until the 18th century that British naval officer John Marshall rediscovered and gave his name to the Islands.

Germany annexed the Marshall Islands in 1885. After World War I, under a League of Nations mandate, the Japanese administered the Islands. After the Second World War, the Marshall Islands became a United Nations Trust Territory of the Pacific Islands under United States administration. The Republic of the Marshall Islands gained independence in 1986, becoming a full member of the United Nations in 1991.

The Marshall Islands Constitution, signed in 1979, is a blend of American and British models of government. Under the parliamentary system, the legislature, known as the Nitijela, elects a President from among its members. In turn, the President nominates a Cabinet of six to ten members.

The legal system is administered by courts whose judges are appointed by the Cabinet. The court system consists of local courts of first instance, a Traditional Rights Court with jurisdiction over real property matters and a High Court with maritime jurisdiction. Appeals may be brought before the Supreme Court in all cases.

### Infrastructure and Economy

The infrastructure in the Marshall Islands is more sophisticated than most other nations in the region. The two islands with most of the population, Majuro and Ebeye both have reliable power plants and public water systems. There are two international airports and 26 airstrips scattered throughout the larger islands. There are also 12 deep water docks for large ocean going ships.

Excellent international communications on Majuro and Ebeye are provided by satellite links for telephone, fax and telex. Presently, there are two major Pacific region banks, as well as the Bank of the Marshall Islands - all on Majuro.

An important industry is large-scale commercial fishing. Japanese fishermen, who are licensed to fish Marshallese waters, haul in roughly 42 million pounds of tuna and billfish each year. The export of coconuts (copra) is another important economic factor.

The Marshall Islands has a rapidly growing ship registry, increasing by over 50% between 1994 and 1995. Vessel types include oil tankers, bulk carriers, container ships and fishing vessels.

The Marshall Islands only recently began to be viewed as a tourist destination. For environmental reasons, controlled tourism is the watch-word, whether on Majuro or on the outer atolls, the lagoons and the ocean offer snorkelling, scuba diving, sport-fishing and sailing.

### Language

Languages spoken are Marshallese and English.

### Currency

US Dollar.

### Exchange Control

None.

### Type of Law

Common Law based on Anglo/American Common Law.

### Principal Corporate Legislation

The Associations Law of the Republic of the Marshall Islands 1990, which incorporates the Business Corporation Act (BCA) and the Partnership Act.

## COMPANY INFORMATION

### Type of Company for International Trade and Investment

#### Non-Resident Domestic Corporation

Non-Resident Domestic Corporations are easy to form and administer. Although the Marshall Islands BCA is modelled after the corporate laws of the United States, certain provisions have also been borrowed from British law. These allow, if desired, the adoption of a Managing Director and a Corporate Secretary as officers of the corporation instead of the customary, US-style, President, Treasurer and Secretary. The corporation's executive office, where its records are kept, may be located in any country. Facsimile filings are allowed in the Marshall Islands and corporations are never required to have corporate documents acknowledged by a consular official.

#### Restrictions on Trading

Cannot trade within the Marshall Islands. Cannot undertake the business of banking, trust services, insurance, assurance or reinsurance.

#### Powers of Company

A Company incorporated in the Marshall Islands has the same powers as a natural person.

**Language of Legislation and Corporate Documents**

English.

**Shelf Companies Available**

Yes.

**Registered Office**

A Registered Office must be maintained in the Marshall Islands at the address of the licensed Trust and Management Company.

**Time to Incorporate**

One day, but a further two days is required for delivery of documentation from the registry.

**Name Name**

Can be in any language as long as Roman letters are used. The Registrar may however require an English translation if a foreign language is used to ensure that the proposed name is not a restricted name.

The proposed name of a IBC cannot be identical or similar to an existing company. The following words or their derivatives may not be used: bank, chartered, establishment, foundation, insurance, partnership or trust.

**Suffixes to Denote Limited Liability**

Any standard corporate suffix or its abbreviation, for example: Corporation, Incorporated, Limited, Gesellschaft mit beschränkter Haftung, Aktiengesellschaft, Société Anonyme, Sociedad Anónima.

**Disclosure of Beneficial Ownership to Authorities**

No.

**COMPLIANCE**

**Authorised and Issued Share Capital**

The standard authorised share capital is 500 shares without par value or a capital with a stated par value up to US\$ 50,000. The authorised share capital may be expressed in any currency. The minimum issued share capital is either one share of no par value or one share of par value.

**Classes of Share Permitted**

Marshall Islands' corporations may have registered shares, bearer shares, preference shares, redeemable shares, shares with or without par value and shares with or without voting rights.

**Bearer Shares Permitted**

Yes.

**Taxation**

The Marshall Islands statutorily exempts non-resident companies from taxes.

**Double Taxation Agreements**

None.

### [Financial Statement Requirements](#)

There is no requirement to file financial statements, but records should be maintained to reflect a company's financial status.

### [Directors](#)

The minimum number of directors is one. The directors may be natural persons or bodies corporate. They can be of any nationality and need not be Marshall Islands residents.

### [Company Secretary](#)

A Marshall Islands corporation must appoint a company secretary who may be a natural person or a body corporate. The company secretary can be of any nationality and need not be resident in the Marshall Islands.

### [Shareholders](#)

The minimum number of shareholders is one. The directors may be natural persons or bodies corporate. They can be of any nationality and need not be Marshall Islands residents.

## **REGISTRATION AND MAINTENANCE FEE**

### [Registration Fee](#)

With a standard share capital of less than or of USD50,000, the registration fee is USD800, which includes first year licence fee, first year registered agent and first year registered office fees and our incorporation service charges.

### [Annual Maintenance Fee](#)

With a standard share capital of less than or of USD50,000, the annual maintenance fee for second year and thereafter is USD600, which includes annual licence fee, registered agent and registered office fees.

### [Documents and Information Required](#)

1. A photocopy of identity card or passport of each director and shareholder;
2. Residential addresses with proof of all directors and shareholders, such as utility bill, telephone bill;
3. Proposed company names;
4. Shareholding by each shareholder, if more than one shareholder

### [Documents Given to Clients after Registration](#)

1. Original copy of Certificate of Incorporation
2. Three (3) copies of Memorandum and Articles of Association
3. Ten (10) copies of share certificate
4. Register of Members and Register of Directors
5. Common Seal and company chop
6. Minutes for the appointment of first director(s)

### **Optional Services**

Certificate of Good Standing:	USD150
Certificate of Incumbency:	USD150

## **REGISTRATION PROCEDURES**

### **General Procedures for Registration of a Tailor-made company through Kaizen**

#### **Step 1**

You confirm and engage Kaizen to register an offshore company by either sending Kaizen an email or fax. If so requested, Kaizen will prepare and sign an engagement letter with you.

#### **Step 2**

You provide to Kaizen either by fax or scan and email the following materials:

- 1 Proposed company name, either in English only or Chinese only or both;
- 2 One photocopy of passport (only the page showing the particulars of the holder) and residential address of each shareholder; if any shareholder is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- 3 One photocopy of passport (only the page showing the particulars of the holder) and residential address of each director; if any director is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- 4 Amounts of authorized share capital and issued capital, percentage of shareholdings if more than one shareholder.

#### **Step 3**

Kaizen check the availability of the proposed company name. If available, Kaizen proceed to registration; if not available, Kaizen will go back to you for more company names and perform the availability search again.

#### **Step 4**

Kaizen receive the Certificate of Incorporation from the Registrar of Companies.

#### **Step 5**

Kaizen attend to the followings:

1. Printing Memorandum and Articles of Association
2. Prepare minutes of First Board Meeting
3. Prepare Application for Allotment of Share(s) for each shareholder
4. Prepare Consent to Act as Director for each director
5. Update Register of Members
6. Update Register of Directors
7. Prepare Share Certificate
8. Carve Common Seal and rubber chop

#### **Step 6**

Kaizen arrange to deliver the above documents/materials (together known as Company Kit) to you.

#### **Step 7**

Upon receipt of the Company Kit, you sign the following documents:-

1. Application for allotment of shares
2. Minutes of First Board Meeting
3. Consent to Act as Director
4. Share Certificate

and then either fax or scan and email a copy of the duly signed documents as listed above to Kaizen. Registration procedures completed.

**General Procedures for Purchase of a Readymade Company from Kaizen**

**Step 1**

You confirm and engage Kaizen to register an offshore company by either sending Kaizen an email or fax. If so requested, Kaizen will prepare and sign an engagement letter with you.

**Step 2**

Kaizen email, fax or post the Readymade Companies List to you and you select at least two names in priority preference and confirm with Kaizen your selection.

At the same time, you provide to Kaizen either by fax or scan and email the following materials:

- 1 One photocopy of passport (only the page showing the particulars of the holder) and residential address of each shareholder; if any shareholder is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- 2 One photocopy of passport (only the page showing the particulars of the holder) and residential address of each director; if any director is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- 3 Amounts of authorized share capital and issued capital, percentage of shareholdings if more than one shareholder.

**Step 3**

Kaizen check the availability of the selected readymade companies. If available, Kaizen proceed to registration; if not available, Kaizen will go back to you for more company names and perform the availability search again.

**Step 4**

Kaizen attend to the followings:

1. Printing Memorandum and Articles of Association
2. Prepare minutes of First Board Meeting
3. Prepare Application for Allotment of Share(s) for each shareholder
4. Prepare Consent to Act as Director for each director
5. Update Register of Members
6. Update Register of Directors
7. Prepare Share Certificate
8. Carve Common Seal and rubber chop

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Kaizen arrange to deliver the above documents/materials (together known as Company Kit) to you.

**Step 6**

Upon receipt of the Company Kit, you sign the following documents:-

1. Application for allotment of shares
2. Minutes of First Board Meeting
3. Consent to Act as Director
4. Share Certificate

and then either fax or scan and email a copy of the duly signed documents as listed above to Kaizen. Registration procedures completed.

For information, assistance or incorporation, please contact:

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