

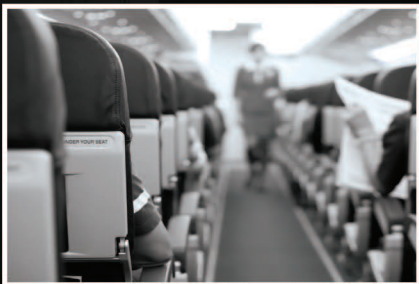
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Company Formations



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BUSINESS ENTRY STRATEGY & COMPANY FORMATION

Companies today are increasingly realising the benefits of setting up 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 documents is required, such as the Memorandum and Articles of Association, which contain fundamentals such as company name, objects 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.

However, establishing an offshore operation can have many benefits. Sometimes, a business may be structured so that profits are realised to minimise their overall tax liability. Another key advantage is that most jurisdictions make it relatively simple to set up and maintain companies. In addition to this, offshore jurisdictions tend not to impose 'thin capitalisation' rules on companies, allowing them to be formed with a purely nomi-

nal equity investment.

A key prerequisite for any persons wishing to establish their business or private interests in an offshore jurisdiction is to select a location that provides political and economic stability, to ensure that business can be conducted with certainty, confidence and corporate security. The most essential criteria are that the legislation is modern, flexible, and well-proven with respect to issues such as low share capital requirement, minimal reporting obligations, the possibility 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 license fee. It is important to assess the taxation implications for the business, and to decide whether a treaty jurisdiction is required.

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

Vyvey & Co is comprised of seven skilled professionals and one partner, Mr Steven Vyvey, and provides audit, taxation and consultancy services to corporate ventures in Belgium. Vyvey & Co is located in the town of Massenhoven, in the province of Antwerp, near the city of Antwerp. Vyvey & Co is an independent member of AGN International.

The initial procedure involved in a Belgian company formation is to deposit at least 20% of the initial capital with a Belgian credit institution for at least €6,200, and then to obtain a standard certification confirming that the amount is held in a blocked capital account – a process that takes a day to complete at no charge.

It is then necessary to deposit a financial plan with the notary, and sign the deed of incorporation as well as the by-laws in the presence of a notary, who authenticates the documents and registers the deed of incorporation. This process also takes a day to complete, and costs a fixed registration duty of €25, plus a publication cost of €214.53, as well as notarial fees of around €900 (including file and administrative costs)

The authentication act (which includes the initial version of the by-laws) must be drawn up in French, Dutch or German, and must be signed by the parties involved. (The required content is outlined in Articles 69 and 226 of the Company Code.)

The intention of the financial plan is to describe and justify the amount of initial capital. The plan must show that the initial capital will cover company operations for at least the first two years. The founders sign the plan and deposit

it in the notary public's custody before incorporation.

Subsequently, it is necessary to register with the Register of Legal Persons, VAT, and social security at a centralised company docket (guichet-entreprises / ondernemingsloket) and to obtain a company number. Since the 1st of July 2003, registration with the trade registries and the social security authorities has been centralised.

After the filing of the deed of incorporation, the clerk's office will automatically register the company with the Register of Legal Persons, which is part of the Crossroads Bank for Enterprises. The company will be given a single identification number: the enterprise number (numéro d'entreprise, or ondernemingsnummer), which can be activated only by using a recognised one-stop shop (guichets d'entreprises or ondernemingsloketten).

Based on the company's number of employees, the projected annual turnover and the shareholder class (private individuals), the company will qualify as a small- or medium-sized enterprise (SME), according to the meaning of the Promotion of Independent Enterprise (General Provisions) Act of February the 10th, 1998. For a small or medium-sized enterprise, the aforementioned activation of the company's registration (with the Crossroads Bank for Enterprises) will be possible only once a certificate of competence has been obtained. The person in charge of daily company management must evidence his knowledge of business management with documentary proof of education (diplomas, etc), or practical experience.

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Since its inception in 2002, ThinkBridge has grown to encompass more than 80 professionals, assisting hundreds of clients from our offices in Shanghai and Beijing. We are client service-oriented, and committed to the quality of the Big Four and other well-known international consulting firms. Our corporate clients include multi-nationals, foreign-invested enterprises, local private companies and state-owned enterprises, some of which are Global 1000 and Fortune 500 companies.

As a consequence of the credit crunch, it is likely that China will continue to be affected by a decrease in global transnational direct investments in 2009. However, a series of policies has been implemented by the Chinese government to expand domestic demand and stabilise exports, which will also further foreign investor confidence.

Recent statistics released by the Ministry of Commerce of the People's Republic of China (MOFCOM) indicate that the decline in China's absorption of foreign capital had slowed by February 2009. Foreign capital utilised in February amounted to US\$5.83 billion, down 15.8% year-on-year, while the number of newly approved foreign-funded enterprises stood at 1,265, dropping 13% year-on-year. This decline is attributed to foreign companies cutting back on expansion in the face of the global financial crisis.

However, a recent cross-border survey released by the US-China Business Council shows that 88% of enterprises interviewed had earned profits in China. 81% saw their profits in China higher than, or equivalent to, their global profit margin, and 85% made China their company's first choice for overseas business. Factors such as the country's stabilised economic growth, huge domestic consumer market, labours with competitive cost and open market entry will continue to be attractive points for overseas investors.

It is reported that the Chinese government will soon simplify procedures for foreign companies

investing in China, and authorise provincial governments to approve 85% of investment applications. Most foreign companies can look forward to receiving investment approval from Chinese authorities within three working days in the near future.

In setting up business in China, there are various forms of investment vehicles available to suit different business objectives and operations. It is a key consideration for overseas investors to properly identify the most appropriate form of investment. A wholly foreign-owned enterprise (WFOE) will allow greater management control and flexibility, though a joint venture with a local partner in China may provide easier access to the local market. A simpler approach may be to set up a representative office, if the primary intention is to collect Chinese market data, or gain some first-hand experience of the region's market conditions.

Regarding company formation, we can assist with: outlining and achieving business goals; complying with PRC laws and regulations; strategically analysing tax planning opportunities and the pros and cons of different structures; and consulting on industry, investment environment, PRC tax and accounting matters. We can also assist in name registration of the proposed company; preparation and submission of the Feasibility Study Report and Articles of Association (in English and Chinese); subsequent followup to obtain an Approval Certificate; assistance in completion of the business registration procedures; and assisting the company registration via the various authorities after the establishment.



CZECH REPUBLIC

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Gurlich & Co law firm provides its services at a high professional level, efficiently and independently in the territory of the Czech Republic, and is a member of the European Association of legal offices (AEL). The firm's legal services are provided in Czech and English, and we are open with respect to all clients and their requirements. We undertake both national and international work – working within an approximate ratio of 50/50. The Czech law system has several kinds of companies, of which the most widely used for commercial purposes are the limited liability company, and the joint stock company.

Legal structure of a limited liability company is similar to a British company LLC, or a German GmbH. It may have from one up to 50 shareholders; its registered capital should be at minimum of CZK 200,000 (approximately EUR 8,000); and the minimum contribution of a shareholder is CZK 20,000 (approximately EUR 800). The company should be managed by the executives who are listed in the commercial register, together with details of how they act on behalf of the company (individually or jointly). Shareholders of that company are all listed in the publicly available commercial register.

A joint stock company can be traded privately or publicly. The shareholders are not listed in the commercial register. There are two kinds of shares which the company may have, and it is up to shareholders to choose preference. In the case of registered shares, the company has a list of all the shareholders, or bearers' shares, which are not registered to a specific name.

An attractive feature for foreign investors surveying the Czech Republic is the region's significant

business opportunity. Even in the midst of current economic turmoil, there is a stable economic environment in the Czech Republic.

We are currently establishing several companies within sectors such as telecoms, development, construction, head-hunting and marketing. For the latter, one transaction was completed via a spin-off of a larger company, and we were representing one English client in that instance. The sum of the transaction was approximately CZK 100 million.

It is relatively easy to establish a company in the Czech Republic, though there are minor restrictions in place. For instance, the executive of the prospective company can be foreign or Czech, though he or she will have to present an extract from the criminal register to prove that he or she has not committed any crime.

In terms of the specific company formations we can assist with, we can, for instance offer the additional option of ready-made companies, which can carry the significant advantage of being operational within 24 hours of formation. This is a two-step process. The first step entails transfer of ownership interests, and changing the name of the managing director. After that, our client can act on behalf of the company, because the company is now his or hers. The second step is the registration of the changes in the commercial register, which is also a part of the process, and usually takes approximately two weeks.



CYPRUS



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In spite of the global economic downturn, it seems that foreign investors are placing increased emphasis on their corporate structures, in order to take advantage of business opportunities that may arise in the upcoming months.

However, one separate consequence of the financial tumult is that there are now increasing clashes between the different groups of shareholders in companies which serve as joint venture vehicles, with disputes of this nature costing in excess of €42 million.

At Haviaras & Philippou LLC, we consider the practice of law to be, first and foremost, about our clients. We are committed to exceptional client service, and we recognise our clients' best interests as our ultimate objective in every instance. We are internationally recognised for the depth of our legal knowledge, experience and expertise, and we are committed to apply these attributes in each and every case. We achieve this by understanding our clients' objectives, by developing a strong grasp of their business and their industry, and by building trusted relationships with them and their people. Our clientele is a combination of local and foreign clients, as we deal both with corporate transactions and structures as well as with local litigation.

In relation to our corporate department, we offer our clients services ranging from the incorporation of a company, the offering of nominee shareholders' and nominee directors' services, secretarial services, and full operational support.

Cypriot law allows for the formation of many types of business entity, such as private companies limited by shares, private companies limited by guarantee, exempt private companies, public companies limited by shares, Cyprus branches of foreign companies, general partnerships, limited partnerships,

sole propri- etorships, and trusts.

The majority of incorporations for tax-optimisation purposes in Cyprus take the form of a private company limited by shares. Trusts are another popular option in the region, and can be used as a standalone entity, or in tandem with an international business company.

Cyprus has become a key jurisdiction for offshore company incorporation, due to its English-based legal system the Cyprus offshore legislation was originally based on the United Kingdom model. Additionally, a full-range of international offshore banking services means that Cyprus is now seen by many as an ideal jurisdiction, and so the region has been experiencing a significant boom in the formation of low-tax companies. Foreign companies enjoy a flexible corporate structure, making Cyprus a dynamic global leader in the area of offshore company formations.

Cyprus has long been a viable location for investors targeting Europe. Foreign investors are attracted to Cyprus's effective legal services, and undoubtedly the benefits they gain by using a Cypriot Special Purpose Vehicle (SPV) in their corporate structure. The advantages, which are now well-known and oft-exploited by the business world, are the region's large number of Double Tax Treaties (DTT), the flat corporate tax of 10%, and perhaps most importantly, the 0% withholding tax on dividends paid to non-residents, which combined, are the lowest rates a country member of the European Union offers.



JERSEY



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Services Commission; compliance with international money-laundering standards; proximity to London and mainland Europe; and high quality professional infrastructure versed in City of London standard. Additionally, a further benefit, that legal principles under Jersey company law are broadly similar to those under the laws of England, ensures easy understanding from both UK and international investors.

Within the well-regulated jurisdiction of Jersey, businesses operating in or from Jersey in sectors such as banking, insurance, investment business, funds service business or trust company business, will have to obtain a licence satisfying the stipulated requirements. A business for the local market will require a licence under the Jersey regulation of undertakings legislation. If a business is to be established by acquisition, the competition legislation may be relevant. Some businesses will need to satisfy data protection requirements. One great advantage of Jersey is that the regulatory agencies are easily approachable on short notice.

From Carey Olsen's perspective, current market conditions have been less adversely affected by the global credit crisis than we expected. There is significantly less financing work, but, unsurprisingly, a marked increase in litigation and restructuring/insolvency work. In addition, other corporate work has held up very well, and looks unlikely to decline significantly.

The Carey Olsen group, in the form of Carey Olsen Corporate Services Jersey Limited, provides company incorporation services. In the case of a company which is established for the international market, Carey Olsen can source the necessary Jersey corporate service provision, including professional directors and company secretarial support, and similarly for limited partnerships. Carey Olsen as a law firm can provide regulatory advice and advice on company law, or that of limited partnerships or trusts, as required.

Carey Olsen was created as a result of a merger between the law firms of Carey Langlois of Guernsey, and Olsens of Jersey. The former had roots dating back to 1898. Olsens was a relative newcomer, created in 1981 by advocate Anthony Olsen. With over 300 staff, including 130 lawyers, Carey Olsen is the largest law firm in the Channel Islands.

The firm provides a full range of Jersey and Guernsey legal services, including corporate and commercial, funds and private equity, banking and finance, restructuring and insolvency, trusts and fiduciary, commercial and residential property, employment, competition, litigation and dispute resolution.

An offshore jurisdiction like Jersey has a double market: the local domestic market, and the international market it serves. The latter necessarily influences the former. Carey Olsen conducts a range of both local and international work, and high profile clients include Jersey government departments, businesses and private individuals; as well as global financial institutions and companies.

Reasons for setting up a company in Jersey include the following: fast and straightforward incorporation; constitutional documents can be tailored to individual requirements; practical, innovative legal framework; tax neutrality; responsive regulator – the Jersey Financial



Bermeo & Bermeo Law Firm
Established in 1948

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The prestigious Bermeo & Bermeo has more than 800 multinational clients, including L'Oreal, Sanofi- Aventis; Schering Plough; Pernod Ricard; Procter & Gamble; Dow Agrosciences; Bayer Schering AG, Astrazeneca; and Harley Davidson. Dr Rodrigo Bermeo is an Ecuadorian lawyer and a doctor of law. He was educated in the US and Italy, and has attended many seminars and conventions around the world.

He is the senior partner of Bermeo & Bermeo, a firm founded in 1948, which incorporated the practices of Dr Vicente Bermeo: Aurelio Vallejo and Manuel García-Enríquez, founded in 1900. Nowadays, Bermeo & Bermeo is one of the leading firms in Ecuador, with a high reputation for quality legal services. The firm is a traditional law firm with membership in the main international organisations such as: INTA, AIPPI, MARQUES, ECTA, LES, ABA, ASIPI and others.

In addition, Mr Bermeo is the author of several publications such as: The Cartagena Agreement and Effects on patents and Trademarks; Ecuadorian Chapters of Patents, Trademarks, Design & Utility Models Throughout the World (Clark Boardman Publications); and Legal Systems of the World: A Political, Social and Cultural Encyclopedia edited by Professor Herbert M Kritzer, ABC Clío [Ecuadorian Chapter, 2002].

The firm provides high quality expertise in all necessary fields for foreign investors looking to establish a branch or local company to operate in Ecuador. The first procedure necessary for a company formation in Ecuador is to hire a lawyer, who gets approval of the company name at the Superintendent of Companies, a process that takes two days. He prepares the minutes of incorporation, including the constituting contract, the articles of incorporation, the by-laws of the company, and the formation of capital. After approval of the Superintendence of Companies, a notary must subsequently notarise these documents.

After approval of the Superintendent of Companies, it is then necessary to publish an abstract of the charter in a newspaper, and to enroll in the Chamber of Commerce (or Industry, etc).

After completing the initial process of incorporation, it is then necessary to register the company at the Mercantile Registry. Only after registration is the company officially incorporated, and appointment of legal representatives must then be completed.

Finally, a tax ID (RUC) shall be obtained. The whole procedure of incorporation may cost a minimum of US\$2,000, plus disbursements. The cost may also vary, depending on the size of the company in question.



GREECE



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feature a vast number of islands, islets and rock islands. This favourable geographic location, plus the added advantages that the Greece tax policy is relatively liberal, and new investments are encouraged in the region, all contribute in making the country an enduringly attractive target for investors.

Orion SA does a mixture of local and international work. Our clients in Greece are some of the biggest business entities in Greece; however, it remains our first priority to strengthen our international branch, as we recognise the necessity for overseas input – as the biggest opportunities are now coming from abroad.

Greece is as a consumer society with a well-developed, modern banking system, as well as many active sectors of investment including tourism, merchandise, services, shipping, and production, etc. There are a number of incentives for overseas investors which facilitate the temporary or permanent establishment of foreign companies in Greece. These incentives include low interest loans, partial coverage by the State of the interest payable on loans granted, and financial support for people opening their first production company. The latter is generally free of charge, and offers many other advantages in an effort to stimulate regional development. Also, the right of foreigners who invest money in Greece to re-export their capital back to their own country has been constitutionally guaranteed. Labour laws in Greece are fully in line with EU legislation, and feature collective bargaining procedures which determine hours, conditions and salaries for workers.

Orion SA was founded in 2003, and today comprises four partners and a staff of 15 additional personnel, providing statutory auditing services as a member of the Greek Institute of Certified Auditors. The firm also provides expert assistance in matters of accounting, legal, tax planning, reporting, and other financial services including due diligence, mergers, the Sarbanes-Oxley Act, and internal control.

Orion SA is an independent member of auditingaccounting firm, AGN International, a medium-sized global financial organisation. Our company is located in Athens, though we maintain a client base all over Greece. Some of our consultants have more than 25 years' experience in the financial services industry, and we have multi-linguists on site to assist overseas clients.

The Greek economy remains active, and while it appears that the global credit crisis has temporarily slowed market conditions in the region, the situation is expected to improve in the upcoming months, as company directors strive to push through the downturn, and new opportunities arise for those companies in a position to finance deals themselves. In this regard, the economy in Greece is proving to be among the most resilient of the European countries, with many of the region's companies continuing to grow and expand internationally. Greece is a member of the European Union, with close proximity to Eastern Europe (the country may be included in South-East and Southern Europe, but head the country does not form part of Eastern Europe in the geopolitical sense nor in the traditional sense). Greece is also a consistently popular tourist attraction – the Aegean Sea lies to the east and south of mainland Greece, while the Ionian Sea lies to the west, and both parts of the Eastern Mediterranean basin



FRANCE

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company headthe quarters in Colmar is home to an international centre, grouping together experts in the provision of services and advice to international clients.

Creating a business in France must be analysed from legal, employment and taxation points of view. Different types of business organisations are possible: liaison office, branch office, or subsidiary. In addition, subsidiaries can have different legal forms.

Employment regulations are extremely strict, with industry-wide collective agreements, employee representation in companies, a nationwide social welfare and security system (the employer's contribution ranges from 25% to 45% of the gross payroll), and a collective profit-sharing system applicable in firms with 50 or more employees. The tax system is relatively complex and requires analysis – like the legal and employment aspects – on a case-by-case basis.

In regard to assisting with company formations in France, we begin by advising our clients via a comprehensive approach encompassing all the legal, employment and taxation aspects, considering not only the purely French implications, but also the consequences, essentially fiscal, for the parent company and sister companies. We then take care of all formalities involved in establishing the business in France.

HLB Cofimé was founded in 1963, and has grown to comprise a team of 150 employees. Owing to nearly 50 years of experience, and the additional expert assistance of our international network, HLB, we offer a credible alternative for clients who want to set up in France.

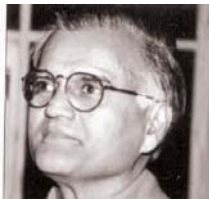
Our firm was ISO 9001 certified in September 2008, and we have offices in Paris, as well as in the North- East of France (Strasbourg, Colmar and Mulhouse).

The detrimental effects of the economic situation in France are limited at present. Although the media are providing coverage of the crisis on a daily basis, in reality, the downturn mainly affects the automotive sector, and real estate. For the majority of French people, the crisis has not yet affected their daily lives, although this situation may change.

France is one of the largest three markets in Western Europe. Naturally, foreign companies make every effort to penetrate this market and exploit its many advantages. Moreover, historically our country has always constituted an ideal point of entry for the North African markets.

Our company's regular business places emphasis on both national and international work, and this has been the case for almost 50 years. However, thanks to our particularly favourable geographical location our close proximity to Germany and Switzerland – we have developed particular expertise for foreign companies wishing to set up in France.

Our international business is one of the key points of our development strategy. Our



INDIA

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SS Kothari Mehta & Co has more than 35 years' experience in advising foreign and domestic companies on setting up business in India. We are a multi-disciplinary firm with our head office in New Delhi, 22 partners all over India, and a staff of 250 including 75 chartered accountants and MBAs. Our strategy is to provide a one-stop-service, via partners specialising in different areas, in a truly hands-on manner. Our clientele includes MNCs and large Indian companies and SMEs, including manufacturing clients with turnovers of more than US\$1 billion.

India's economic scenario remains an attractive investment destination, with a growth rate of more than 5%, even in the midst of the current recession. The country's export sector comprises just 20% of its economy, in contrast with 40% in the case of China, and India has a huge consumer market in the rural sector, where incomes have continued to grow resulting in substantial demand. Investment in infrastructure continues to stimulate the manufacturing sector, partly offsetting the export slowdown.

In addition, India continues to have a strong financial market for raising both rupee debt and equity, enabling large projects to be funded domestically. Foreign businesses continue to apply for government approval to set up businesses in India. A major source of attraction is India's 100% tax-free profits from export-oriented businesses set up in SEZ (Special Economic Zones).

Because of SS Kothari Mehta & Co's multi-disciplinary teams specialising in International Tax, Corporate Finance and Company Law, our firm is well-positioned to advise on business entry strategy; organise market research; select appropriate corporate forms; plan international holding company structures; assist with joint venture partners selection; assist with compliance with all regulatory matters including government approvals; and help prepare project reports as well as raise debt and equity resources.

While many industrial sectors and services sectors are allowed 100% foreign investment, some are not permitted this percentage of investment. In the infrastructure sectors of roads, power, SEZ etc, where government or society has to be managed, it then becomes important to locate partners to provide balance equity and to manage the environment.

Formation of companies can be completed within 15 days, provided the documents from the investing country have been properly prepared. In order to establish an international holding structure, we are able to analyse tax treaties between the investing country, the intermediate country and India, and suggest the suitable strategy plan within 15 days.

We study alternative corporate structures to ascertain whether a company should be quoted on the stock exchange, or should be a joint venture, a 100% subsidiary, a limited liability partnership, or a partnership firm. Our Company Law division will incorporate a new company, while our Tax department obtains the necessary registrations for VAT, service tax, sales tax, export code number, etc. For a subsequent three months, we will then provide office for the new company. We therefore provide a comprehensive service from inception to realisation of a new venture. This is the mission reflected in our logo: "We Develop Potential." Our objective is to develop your potential.



ITALY

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Giuffrè Scorcelli Rosa & Partners (GSRP Studio Legale) is a general practice established in 1991, with offices in Milan and Rome. The corporate/commercial area is one of its main practice areas, covering both transactional and advisory matters. Real estate also comes under the corporate/commercial banner. The firm regularly advises foreign clients on all legal aspects of their investments and operations in Italy.

With one of the largest world economies and a big domestic market, Italy has traditionally attracted substantial foreign investments. A certain rigidity of the labour market and an excess of bureaucracy characterising the Italian economic system have also been reduced or eliminated over time.

There are two main types of company that foreign investors can use to incorporate their businesses in Italy, and avoid incurring liability for the company's obligations. One is Società a Responsabilità Limitata (Limited Liability Company), also referred to as SRL. The other is Società per Azioni (Limited Company by Shares), also referred to as SPA.

The simpler governance and lesser formality of the SRL makes it more suitable for small to medium businesses with closely held ownership, whereas the SPA is normally used for medium to large businesses, with a greater number of shareholders. By law, certain businesses, especially in the banking and financial services sector, and listed companies, must adopt the form of SPA.

The minimum capital requirement of an SRL is €10,000; that of an SPA is €120,000. In either case, the minimum number of stockholders is one, and the minimum percentage of capital payable upon incorporation is 25%, unless the company is incorporated with only one stockholder, in which case it is 100%. Both types of company can be managed by a board of directors or a sole director, but this latter form of administration is more common in smaller SRLs. In case of a board, a managing director is

usually appointed to manage the daily affairs, with larger companies sometimes having more than one managing director and/or an executive committee. Directors need not be stockholders or Italian. Other forms of administration can be chosen, which are, however, rather uncommon.

Typically, legal and accounting control in SPAs is the responsibility of the Collegio Sindacale (Board of Auditors). However, if the company is listed or publicly held, the stockholders have to appoint an auditing firm to control the company's accounts. SRLs need not have a board of auditors, unless their nominal capital is €120,000 or more, or other economic parameters are met. Accounting control in SRLs can also be entrusted to an external auditor.

The incorporation process of an SRL or an SPA is relatively straightforward and includes: the transfer of the required percentage of the minimum capital to an Italian bank account; the obtainment of a tax code number for the directors; the execution of the company's memorandum and articles of association in the form of public deed before a Notary Public; and the filing and recording of the company's memorandum and articles of association in the Register of Companies.

The most expedient way to complete all of the above is by way of a properly drafted and legalised power of attorney, issued by the founding stockholders to local professionals, who will also guide them in the preparation of the necessary documents.



LEBANON

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Audit and consulting firm Serhal Nassar & Co was first established in 1968 in Lebanon by Serhal Nassar, a Lebanese Certified Public Accountant (CPA) and legal specialist. The firm has continued to operate and increase its client base, and has welcomed new partners and managers, including US Certified Public Accountants and US Certified Bank Auditors. Today, the firm offers a diverse array of consulting activities to international, multinational and local entities, while its core business remains auditing.

The firm is specialised in a wide range of attest and consulting services in the banking, insurance, commercial and industrial fields, together with tax consultancy and management advisory services.

In addition, Serhal Nassar & Co has adapted to an increasingly globalised business environment by joining AGN INTERNATIONAL, a worldwide association of audit firms with more than 10,000 partners and staff providing services in more than 100 countries, through 500 office locations. As a member of AGN INTERNATIONAL, Serhal Nassar & Co is able to offer its clients all of the advantages of international networking, especially in the areas of Global Taxation and Strategic Financial Planning.

The firm also regularly advises on full set-up (including legal aspects) of companies including joint-stock, LLCs, holding and offshore, often working in collaboration with law firms to ensure maximum specialist advice.

Company formations in Lebanon are relatively simple to complete, but require specialist expertise to strategically meet the challenges inherent in, for instance, registering the prospective company with LibanPost.

In this procedure, the client submits through LibanPost a set of standardised documents, properly prepared and signed by the founders of the new business entity, along with the total amount of required fees. These documents are as following: articles of association; commercial circulars; minutes of the first general meeting of the partners; registration application and a draft of the registration certificate to be issued; documentation attesting the capital deposit; partners' identity cards or passports (copy); and documents evidencing that the company is entitled to occupy the premises where it exercises its activities.

Within five business days, LibanPost delivers to the client the official documents stamped by the proper governmental authorities, the Certificate of Registration issued by the Commercial Registry and the Tax Registration Certificate, and ID issued by the Ministry of Finance.

Also worthy of mention are the Lebanese regulations with respect to Holding and Offshore companies, which entitle those companies to operate under extremely privileged tax regimes within the country.



MALTA

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LEGAL

practice indicating a particular competence and experience in that sector, though he or she does not practice exclusively in that area, thus enabling lawyers to have a breadth of experience that goes beyond their strict area of interest.

Malta's modern legislative and regulatory infrastructure makes it relatively quick and straightforward to establish a Maltese company, although professional advice should be sought to ensure compliance. Malta has a legal and regulatory infrastructure informed by modern developments, including those of other jurisdictions, to deal effectively with a comprehensive range of issues. Our hybrid system of law, which has at its roots a civil law culture predominant in Western Europe, has been expanded with common, English law additions, a relic of Malta's past as a British Colony. This hybrid structure therefore demands of local practitioners a thorough understanding of both systems of law.

We provide a broad cross-section of legal assistance and advice in the corporate law area, which may be necessary for setting up operations and the structuring of transactions from Malta. In addition to this, we provide ongoing company secretarial and corporate support services to companies.

Our lawyers get to know our clients and their businesses. The close relationships that we subsequently develop, and the keen interest we take in our clients' businesses, enable us to give practical and effective advice – in other words, advice that adds value.

In spite of tumult in the global financial markets, Malta has remained an attractive location for prospective business investors, and the company formations market in Malta remained resilient during the latter part of 2008, as well as in the first quarter of 2009.

This can, at least in part, be attributed to Malta's membership in the EU, its attractive tax regimes for businesses, and its state-of-the-art legislative and regulatory environment, which has led to an upsurge in foreign direct investment into Malta, and to the establishment of Maltese Companies to undertake international business and multi-jurisdictional acquisitions. This increase in investments will not only help move Malta away from its traditional image as a standard Mediterranean resort, but promises significant growth in business travel in future, as the level of investment is set to continue. Another contributing factor towards Malta's growing reputation as an attractive proposition to investors is the range of fiscal advantages that a Maltese company can provide – to foreign investors operating or holding assets through a company in Malta.

Camilleri Preziosi is a specialised practice attending to domestic and international transactions, with a focus on corporate and commercial law, and the financial services sector. The firm provides both transactional and regulatory advice and assistance to clients. Headed by partners Henri Mizzi and Louis de Gabriele, Camilleri Preziosi is at the forefront of local practitioners specialising in these areas.

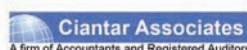
The firm is renowned for its consistently high quality service and expertise, and is committed to delivering an efficient service to clients. Each lawyer within the firm has a specific area of



MALTA

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FINANCIAL

Memorandum and Articles drafted and approved by the competent authorities. The approval takes only a few days, and after that, the company can commence to trade. Once this is approved, a bank account is opened and the share capital of the company has to be deposited. The minimum paid-up share capital for a company is €1,200. These are not tied up and can be fully utilised by the company once it starts trading.

In addition, the company's representative, normally its auditor or lawyer, is required to ask for the usual KYC documentation prior to the company being approved by the authorities, and has to make an official declaration that all relevant KYC documentation has been gathered. Maltese law also provides for the possibility of holding one's shares under fiduciary (nominee), thus providing complete confidentiality from all parties, including the Financial Services Authority and the tax authorities, among others.

In a recent survey carried out by AGN International, a prestigious international association of accountants of which our firm is the sole Maltese representative, Malta was placed first in all EU members' states for tax advantages offered to non-resident investors.

Ciantar Associates comprises auditors, accountants, tax advisers and management consultants. We also provide fiduciary and trustee services through other associate companies. We specialise in providing these services to foreign investors, and company incorporations comprise a significant portion of our business.

Malta is rapidly increasing its status as a significant financial centre within the European Union. A long history of fiscal and investment incentives for foreigners wishing to set up business in Malta has led to an attractive package for national investors, as well as for overseas investors looking to Malta for their international tax planning structures.

There are many reasons why investors might wish to set up a company in Malta. These include the country's low cost base and low corporate tax rates; its inherent advantages for holding companies; practically no disallowed expenses; no withholding taxes on dividends; no stamp duty on transfer of shares; the possibility of a full refund on corporate tax incurred in Malta on dividend income received from abroad; as well as the possibility of an outright exemption on corporate tax, provided certain anti-abuse provisions are met. Additionally, income earned outside Malta which has been subject to foreign tax is also subject to several different tax credits, further lowering the net tax rate.

Other factors which prospective investors should consider include the large amount of investment incentives offered by the Maltese government to foreign investors. These can be summarised as: access to finance, investment aid, SME development, R&D and innovation programs, enterprise support, and employment and training.

Moreover, Malta is an EU member and is situated within the Eurozone. Its tax system is fully compliant with EU regulations. Malta's laws are based on UK common law, and English is one of the two official languages in use. Subsequently, all laws and regulations are readily available in English.

Opening a company in Malta is relatively straightforward. Maltese companies need to have a