



COMPANY FORMATION – FACT SHEET

Choice of Company Name

Please give two alternative names. Certain restrictions are applied to the names that will be accepted - check with your professional advisor. The company name must include "Limited".

If initials are used in the company name, the regulating authorities will wish to know their significance and meaning. Any name is acceptable for a proposed company provided it does not include references or allusions to the Crown, does not include "Bank" or similar words and is not in conflict with an existing name.

If foreign words are used in the name, it may be necessary to obtain a translation. We can usually get preliminary approval of a name within minutes, and it can be reserved for a month.

Principal Business (Objects of the Company)

State here what the main objects of the company are (e.g. boat ownership, property management). The company's objects will be unlimited, unless you wish to limit them.

For registration purposes we need to know its principal business.

Share Capital

- a) The Authorised Share Capital needs to be stated (i.e. the maximum number of shares that the company might issue). Our standard company structure is with an Authorised Share Capital of up to £10,000; if you require a higher Capital, it will cost a further 50p. per £100. The share capital need not be denoted in sterling. The Authorised Capital can be subsequently increased by Special Resolution of the members.
- b) The company need only have Ordinary shares.
- c) The par value (or face value) of the shares is normally £1.
- d) Only one share needs be issued. For convenience and confidentiality, Century Trustees Ltd will provide a nominee shareholder, who will sign a Deed of Trust to the beneficial owner of the share.

Trading Company

- a) If the company is a trading company, the activity that it is involved in will need to be specified as well as countries in which the entity will trade
- b) We will also need to know whether the Directors have relevant experience in proposed activities
- c) It is important if the shareholders are UK resident that advice has been obtained from a professional advisor

Exempt Tax Status

- a) An "Exempt Status" company is one which has the control of the company outside the Bailiwick and does not carry on any business in the Bailiwick other than administration necessary for compliance with Alderney Law. The annual Exempt Fee is £600. Please note that this will cease from 2008 when zero rate tax is introduced.

Accounts need to be prepared but they do not need to be filed with the tax authority.

- b) Any other company is resident and liable to tax at 20% p.a. on its taxable profits

Company Secretary & Registered Office

- a) The company must have a Secretary. We normally provide this as part of our Annual Secretarial Service.
- b) The Registered Office must be in Alderney. We normally provide this as part of our Annual Secretarial Service.

Directors

There is no legal maximum or minimum number of directors. Corporate directors are allowed.

Directors' Responsibility

From the draft codes of practice as issued by the Guernsey Financial Services Commission, the Directors must

- 1) Understand and act in accordance with their legal duties and the constitution of the company and seek advice on those when necessary;
- 2) Ensure that the board of directors has effective control of the company;
- 3) Treat the company as a separate legal entity from its shareholders, directors and others and avoid conflicts of interest with it or deal with them in accordance with the company's articles of association;
- 4) Know who owns the company (except to the extent that its shares are traded on a stock exchange);
- 5) Know the company's business and finances and have full and up to date information on them.
- 6) Ensure that the company keeps proper accounts and records, observes the minimum retention periods under any applicable laws, and files accounts and returns as required by law.
- 7) Ensure that the company complies with the Guidance Notes on the Prevention of Money Laundering and disclose (or ensure that the company discloses) to the Financial Investigation Unit any suspicion or belief of the director that any funds or investments are derived from or used in connection with criminal conduct
- 8) Consider whether to resign from office if they believe that the company is being used for illegal purposes, trading wrongfully or breaking the law in other ways
- 9) Ensure that they have adequate experience, expertise and resources to enable them to discharge their responsibilities as directors
- 10) Ensure that the basis on which they are to be remunerated is agreed or recorded in writing
- 11) Co-operate fully with any regulatory or other authority which is entitled to information about the company's affairs and
- 12) Not attempt to avoid those responsibilities by purporting to contract out of them or assigning them to others.

Principal / Beneficial Owner

Each person who will beneficially own all or part of the issued share capital of the company needs to be identified.

This information is only available to ourselves and the Financial Services Commission.

Nominee shareholder services are available to preserve the identity of the beneficial owner on public record.

Professional Reference

We will need to obtain a professional reference on all new clients.

Banking

We can arrange to open accounts for the company with any of the banks operating in the Channel Islands, or elsewhere.

The bank will require some form of identification for the signatories (certified copy of passport, proof of home address) and name and address of a bank from which a reference may be obtained.

For more detailed information please click [here](#)