

**HARRY B. SANDS, LOBOSKY & COMPANY
SHIRLEY HOUSE
253 SHIRLEY STREET
P.O. BOX N-624
NASSAU, BAHAMAS**

**TELEPHONE: (242) 322-2670
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MEMORANDUM ON COMPANY FORMATION

INFORMATION REQUIRED TO INCORPORATE

1. Proposed Name of the Company

We suggest a minimum of three choices be submitted listed in order of preference, so that one may receive approval from the Bahamas Registrar General.

2. Aims of the Company and Area of Operation
i.e. whether within or without The Bahamas

The Company must be registered with the Exchange Control Department of the Central Bank of The Bahamas if it has one or more shareholders who are non-Bahamians. If the Company is to trade outside The Bahamas and is non-Bahamian owned, it is entitled to be granted non-resident status. This status permits it to operate United States and other foreign currency accounts without further reference to the Exchange Control Department. If the Company is to trade within The Bahamas, it will be designated as "resident" for Exchange Control purposes and will be allowed to maintain foreign currency accounts only for specifically approved purposes. A non-Bahamian shareholder in such a Company can apply for approved status for his investment in the Company.

3. Names, Address and Occupations
of the Proposed Shareholders

Bahamian law requires a minimum of two Shareholders. The Company will be incorporated with nominee Shareholders from our office, but the Exchange Control Department will require the names and addresses of the ultimate beneficial owners of the shares.

4. Names, addresses and occupations
of the Proposed Directors and Officers

Neither Directors nor Officers need to be resident in The Bahamas.

5. Capital

The desired Authorised Capital of the Company and the number of Shares into which the Capital is to be divided is required.

6. Further Details re Corporate Structure

Any further details regarding the proposed Corporate structure of the Company which is felt would be of benefit to this office should be supplied.

TIME REQUIRED TO INCORPORATE

We can normally incorporate a company that is to be Bahamian owned within three days but a company that is to be non-Bahamian owned requires two weeks' notice to effect the incorporation. The time factor is, to a great extent, influenced by the length of time taken to obtain the necessary governmental approvals.

COST OF INCORPORATION

Our usual incorporation fee is \$1000.00 for Bahamian owned company and \$1,500.00 for a non-Bahamian owned company. In addition to this fee, there are out-of-pocket expenses of approximately \$650.00 to cover such items as the provision of the corporate seal and share certificate book, etc. Included in these miscellaneous incorporation expenses is the sum of \$330.00 which is charged by the Bahamas Company Registry for the filing of the Company's

Memorandum and Articles of Association and \$168.00 for obtaining a certified copy of the Memorandum and Articles of Association.

GOVERNMENT STAMP DUTY

Stamp Duty is payable based on the Authorised Capital of the Company. Stamp Duty scale is as follows:

Every Memorandum of Association of a Company where the Capital is B\$5,000.00 or under	B\$ 100.00
Every additional B\$1,000.00 or fraction thereof	6.00

ANNUAL MAINTENANCE EXPENSES

The minimum maintenance expenses in connection with each calendar year amount to the following:-

- Annual Fee payable to the Registrar General of The Bahamas on 1st January each year:

(Bahamian owned)	B\$ 350.00
(Non-Bahamian owned)	B\$1,000.00
- Our professional fee for maintaining the Registered Office and the Company's statutory registers; for drafting or perusing the Minutes of the Shareholders' Meetings; for preparing and filing the Annual Statement and for services offered by our nominee Shareholders (if any) 600.00

We require a retainer of \$2,500.00 on account. We suggest that the retainer be wire transferred to our account

Due Diligence: We are required under the provisions of the Financial and Corporate Services Providers Act 2000 to have the following information and/or documentation on file with respect to each beneficial owner of every company we represent:

- Full details of the names, addresses and contact details, including telephone and facsimile numbers and electronic addresses
- Copies of the relevant pages of the passports of each beneficial owner.
- Details of the principal place of business.
- Two sources of reference which provide adequate indication on the reputation and standing of each beneficial owner

Please address any enquiries to any one of:

**Sarah Lobosky at slobosky@hbslaw.com
Hollie Lunn-Donathan at hlunn-donathan@hbslaw.com**