

Offshore Financial Services Guide

THE BAHAMAS BERMUDA CAYMAN ISLANDS TURKS & CAICOS ISLANDS PANAMA

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The following currency notations are used in this publication:

BSD	Bahamian Dollar
BMD	Bermudian Dollar
KYD	Cayman Islands Dollar
USD	United States Dollar

About Meritas

For businesses with a global growth imperative, the difficulty of finding qualified, local legal counsel around the world means higher expenses and lost opportunities – until they discover Meritas.

Meritas is an established global alliance of independent, full-service law firms that connects businesses to its carefully selected membership: more than 6,600 lawyers in over 170 law firms worldwide. Business owners, in-house counsel, and others can easily connect with pre-qualified, like-minded, reliable legal expertise worldwide.

Businesses trust the Meritas alliance of worldwide law firms for top-tier quality, convenience, consistency, and value.

Consistent Quality

- Meritas membership is selective and by invitation only. Its extensive due diligence process saves clients time in validating law firm credentials and experience. Firms are regularly assessed and recertified for the breadth of their practice expertise and client satisfaction. Only firms performing under the tenets of Meritas' uniquely comprehensive Quality Assurance Program are allowed to maintain membership, ensuring that clients receive the same high quality legal work and service from every Meritas firm.

The Meritas Quality Assurance Program includes:

- o Rigorous screening before inviting members to join the alliance;
- o Continuous monitoring for quality of service, reflected in a Satisfaction Index score, along with client performance feedback that is available online, and;
- o Regular recertification to ensure member firms maintain practice capabilities and client satisfaction, and adhere to Meritas policies.

Convenient Access

- Qualified lawyers with skills and experience can be conveniently found through a searchable database on the Meritas Web site (www.Meritas.org), by calling a Meritas law firm directly, or by contacting Meritas headquarters at +1-612-339-8680.

Consistent Service

- Working with Meritas firms is a predictably efficient and positive experience because Meritas selects independent, mid-sized firms that are flexible, accommodating and attentive. All Meritas firms share a positive, consultative approach to business and a common commitment to excellent client service.

Proven Value

- Because Meritas firms are local, independent, and mid-sized, they can offer greater flexibility – customized billing, deep expertise and local rates – while minimizing the chance of conflicts. Meritas clients benefit from the advantage of partner-level expertise, personal service and a more collaborative, customized business approach.
- Meritas law firms are well established in their local markets, with years of valuable practical experience in local laws and business customs. Their working knowledge of local cultural and jurisdictional issues typically exceeds that of most international law firms and facilitates positive and timely outcomes.

Quality. Convenience. Consistency. Value. In today's changing world economy, the Meritas model provides essential peace-of-mind. Meritas offers businesses global guidance and a proven path to successfully navigate the volatile legal landscape – and keep their business strategy on course.

"Lubrizol has legal issues arising all over the world. Meritas offers us high quality firms in each major metropolitan legal market and that's a huge plus."

Joseph Bauer
Vice-President & General Counsel
Lubrizol Corporation

"What I truly appreciate about working with the Meritas alliance is knowing that no matter which Meritas firm I engage, I am going to get excellent work and superb service."

Meredith Stone
Vice-President, General Counsel Americas
NACCO Materials Handling Group, Inc.

	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
PART 1 - SHARES	<i>References to Domestic Companies are made pursuant to the Companies Act, 1992 (CA) and references made to International Business Companies (IBC) are made pursuant to the International Business Company Act, 2000 (IBCA)</i>		<i>References are to the Companies Law (2009 Revision)</i>	<i>Portions of the Companies Ordinance in the Turks & Caicos Islands are not applicable to exempted companies. An exempted company is one whose objects are to be carried out mainly outside of the Turks & Caicos Islands. These responses relate to exempted companies unless stated to the contrary.</i>	
Do details of the shareholders have to be disclosed?	Domestic – Yes, a statement confirming the name, address and occupation of the shareholders and the number of shares held by each shareholder must be filed with the Registrar General’s Department annually, but nominee shareholders may be used (CA s. 58(1)(2)). IBC – No, details in relation to the shareholders are filed not in the Registrar General’s Department.	Yes, the Register of Members of a Bermuda company is available for public inspection in accordance with the Companies Act 1981 (the “CA”).	Ordinary Companies, yes: name and address (Sections 40 and 41) but nominee shareholders may be used. Exempted Companies, no.	No	No. The Share Registry is a private document.
Can bearer shares be issued?	No, however, shares can be held in trust for the beneficial owner.	No	Yes, but only if authorised by the company’s Articles of Association (Articles) (Section 32) and only to a recognised custodian (Section 229).	Yes, but the law with respect to bearer shares is now so restrictive as to make the use of bearer shares almost extinct.	Yes
Can shares be of no par value?	Domestic – Yes, shares may have a nominal or par value or may be of no par value. (CA s. 35(3)). IBC – Yes.	No	Yes, but an exempted company may not divide its shares into both fixed value and no par value (Section 8(1)).	Yes	Yes
What is the minimum number of shareholders?	Domestic – Two IBC – One	One	One	One	One

SHARES	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Can shares be redeemed?</p> <p>If so, what restrictions apply?</p>	<p>Domestic – Yes, provided the company is able to pay its liabilities as they become due, or the realisable value of the company's assets would, after that payment, be more than the aggregate of its liabilities and issued share capital of all classes (CA s.44).</p> <p>IBC – Yes, provided the company gives written notice to each member whose shares are to be redeemed stating the redemption price and the manner in which the redemption is to be effected (IBCA s. 81).</p>	<p>Yes, shares can be redeemed in accordance with the CA.</p> <p>The CA provides that:</p> <ul style="list-style-type: none"> • The purchase be authorised by the board or in accordance with the company's by-laws. • No purchase can be effected if, on the date of purchase, there are reasonable grounds for believing the company is, or after the purchase would be, unable to pay its liabilities as they become due. • The shares purchased are treated as cancelled and the amount of the company's issued capital is diminished by the nominal value of the shares, but the cancellation will not be taken as reducing the amount of the company's authorised share capital. 	<p>A company may issue redeemable preference shares if authorised by its Articles provided that:</p> <ul style="list-style-type: none"> • Only fully paid shares may be redeemed; • Any premium on redemption is paid out profits; or • Shares are redeemed out of the proceeds of a fresh issue of shares (Section 37) save that if authorised by its Articles a company may redeem shares other than out of profits or the proceeds of a fresh issue of shares if after such redemption the company will be able to pay its debts as they fall due in the ordinary course of business (Section 37(5)). <p>Share capital can be reduced by special resolution subject to confirmation by the Court (Sections 14-17).</p>	<p>Shares can be redeemable subject to the Company's Articles of Association.</p> <p>Very briefly restrictions are as follows:</p> <ul style="list-style-type: none"> • Share must be fully paid. • Shares may not be redeemed if a consequence of the redemption would be that there would no longer be any other member of the company holding shares. • The premium (if any) payable on redemption must have been provided out of profits of company or out of share premium account. 	<p>Shares can be redeemed with the consent of the shareholder, unless otherwise expressed in the Articles of Association. The redemption should be with surplus or net profits.</p>

SHARES	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Can shares be bought onto Treasury?</p> <p>If so, what restrictions apply?</p>	<p>Yes, provided the Memorandum and Articles of Association provide for the same and the directors determine that immediately after the purchase, redemption or other acquisition:</p> <ul style="list-style-type: none"> The company will be able to satisfy its liabilities as they become due in the ordinary course of its business. The realizable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account. In the absence of fraud, the decision of the directors as to the realizable value of the assets of the company is conclusive unless a question of law is involved (IBCA s.32(1)(2)). 	<p>Yes.</p> <p>The CA provides that:</p> <ul style="list-style-type: none"> A company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the company's issued shares, other than the shares to be held as treasury shares, would be non-voting shares. The acquisition must be authorised by the company's board of directors or in accordance with its by-laws. No acquisition may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due. 	<p>Yes, if terms are authorised by the company's Articles (Section 37(2)). If the Articles do not authorise the manner of purchase, a company shall not purchase any of its shares unless the manner of purchase has first been authorised by a resolution of the company (Section 37(3)(d)).</p> <p>Shares redeemed or repurchased form part of the authorised but unissued share capital of the company.</p>		<p>Yes. In such case, it should be with surplus or net profits, otherwise shares must be cancelled through a reduction of issued capital. Shares held by the company cannot be represented or voted at shareholders meetings.</p>
<p>What is the minimum paid-up capital?</p>	<p>Domestic – Minimum number of shares to be issued is two.</p> <p>IBC – Minimum number of shares to be issued is one.</p> <p>However, a company licensed under the Banks & Trust Companies Regulation Act, Insurance Act, External Insurance Act, Investment Funds Act and Securities Industries Act will have to maintain minimum capital requirements appropriate to the business it wants to conduct.</p>	<p>There is no minimum save that mutual fund companies must have a minimum paid-up capital of \$1 and insurance companies have minimum capital requirements under the Insurance Act, 1978 (the "IA").</p>	<p>Minimum number of shares to be issued is one (Section 7(2)).</p>	<p>Companies have no minimum capital requirement, however a company which is required to be licensed under the Banking Ordinance 1979, the Insurance Ordinance 1989, or the Trustee Licensing Ordinance 1992 will have to be capitalised appropriate to the business it wants to conduct.</p>	<p>There is no minimum paid-up capital; but shareholders are personally liable before creditors of the company for any amounts owed to the company for issued shares.</p>

SHARES	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Can there be pre-emption rights?	Yes, if the company's Articles of Association or by-laws permit the same (CA s. 36(3)).	Yes	Yes, if provided in the Articles.	Yes	Yes
Do your shares have to be held by local residents?	No. However, if shares in a domestic company are held by a foreign person, the issuance of those shares requires government approvals.	Bermuda law distinguishes between "local companies," being those companies which are owned predominantly (or entirely) by Bermudians and "exempted companies," which are companies owned predominantly (or entirely) by non-Bermudians.	No	No	No
Where must the share register be kept?	Domestic – At the company's Registered Office (CA s. 56(1)). IBC – At the company's Registered Office (IBCA s. 29(1)).	At the registered office of the company or, after giving written notice to the Registrar of Companies, such other place in Bermuda convenient for inspection of members of the company and other persons entitled to inspect it. A company may also have a branch register outside Bermuda.	For ordinary companies, at the Registered Office of the Company (Section 44). Exempt companies may maintain their Register of Members anywhere in the world.	Exempt companies may maintain this at a location other than its registered office upon certain conditions, including an obligation to maintain a certified copy of the register at its registered office address.	Where the board of directors so determines.

PART II DIRECTORS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Can directors be indemnified?	<p>A domestic company may indemnify its directors against all costs, charges and expenses (including an amount paid to settle an action or satisfy a judgment) reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being, or having been, a director of that company or body corporate (CA s. 113).</p> <p>An IBC company may indemnify its directors against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal or administrative proceedings (IBCA s. 58).</p>	Yes	Yes, as long as the directors' actions are in good faith and in the best interests of the company (absent fraud).	Yes	Yes
Is it necessary to have a local director?	No, there are no restrictions in the CA or IBCA on the residence of the directors of a domestic company or IBC. However, a domestic company and an IBC are required to maintain a Registered Office in The Bahamas at all times.	No. An exempted company must simply have a local representative, which can be a Bermuda resident director, secretary or resident representative.	No, but exempted companies must maintain a local registered office in the Cayman Islands (Section 50).	No, but exempt companies must have a local Resident Representative.	No
Can corporate directors be appointed?	Yes, there are no restrictions in the CA or IBCA.	Yes	Yes	Yes	Yes

DIRECTORS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Can alternates be appointed?	Yes, a director of an IBC may by a written instrument appoint an alternate who need not be a director. The alternate is entitled to attend meetings in the absence of the director who appointed him and to vote or consent in the place of the director (IBCA s. 52(2)).	Yes	Provision can be made in the Articles.	Yes, subject to the company's Articles of Association.	Yes
What returns are necessary of alternates?	Notice of the name of the alternate must be filed with the Registrar General's Department (IBCA s. 52(1)).		None	None	None
Who pays alternate's remuneration?	Board of Directors determine how remuneration should be attributed.	The company.	This is not addressed in the statute. Provision can be made in the Articles.	No provision for this.	Board of Directors to determine if and how to compensate.
Do directors have to share a qualification?	There is no statutory requirement, however, the Memorandum and Articles of Association can provide for the same.	No	There is no statutory requirement but the Articles can provide for one.	No	No

DIRECTORS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Is there a minimum number of directors?	Domestic – Private companies: two. Public companies: three. (CA s. 80(1)). IBC – The number of directors is fixed by the company's Articles of Association (IBCA s. 43).	Two	One	One. Company must also have a Secretary.	Three
Are directors required to disclose interests in contracts?	A contract will be void or voidable if a conflict of interest arises and the interest of the director was not disclosed to the IBC (IBCA s. 57(1)).	Yes, the CA states that any officer of the company will be deemed not to be acting honestly and in good faith if he fails to disclose at the first opportunity at a meeting of the directors or by writing to the directors: <ul style="list-style-type: none"> • His interest in any material contract or proposed material contract with the company or any of its subsidiaries. • His material interest in any person that is a party to a material contract with the company or any of its subsidiaries. 	Not in terms of the statute but common law considerations apply and the Articles may provide for this.	No statutory requirement but generally Articles provide that directors are required to disclose their interest prior to any vote being taken.	No
What details of directors have to be disclosed?	The material facts of the interest of each director in the contract and his interest in or relationship to any other party to the contract must be disclosed (IBCA s. 57(2)).	Each director's first name, surname and address are to be kept in the Register of Directors held at the registered office of the company.	Name and address.	No statutory requirement but generally Articles provide that a general notice that a director is a shareholder of a firm or company is regarded as interest and must be disclosed. This information is sufficient disclosure.	Name and address.

PART III - TRADE	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Can you form: Banks?	Yes, provided prior approval is granted by The Central Bank of The Bahamas for the incorporation and licensing of a domestic company pursuant to the provisions of the Bank and Trust Companies Regulations Act.	This would be highly unusual. There are currently only five licensed banks and deposit companies in Bermuda.	Yes, subject to the provisions of the Banks & Trust Companies Law (as revised).	Yes	Yes, with the prior approval of the Superintendence of Banks.
Insurance Companies?	Yes, provided prior approval is granted by the Registrar of Insurance for the incorporation and licensing of a domestic company pursuant to the provisions of the Insurance Act.	Yes	Yes, subject to the provisions of the Insurance Law (as revised).	Yes	Yes, with the prior approval of the Superintendence of Insurance and Reinsurance.
Reinsurance Companies?	Yes, provided prior approval is granted by the Registrar of Insurance for the incorporation and licensing of a domestic company pursuant to the provisions of the Insurance Act.	Yes	Yes, subject to the provisions of the Insurance Law (as revised).	Yes	Yes, with the prior approval of the Superintendence of Insurance and Reinsurance.
Trust Companies?	Yes, provided prior approval is granted by The Central Bank of The Bahamas for the incorporation and licensing of a domestic company pursuant to the provisions of the Bank and Trust Companies Regulations Act.	Yes	Yes, subject to the provisions of the Banks & Trust Companies Law (as revised).	Yes	Yes, with the prior approval of the Superintendence of Banks.

TRADE	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>For the company types above that can be established, what additional government fees must be paid?</p>	<p>The legislation as noted above applicable to the formation of companies outlines the licensing fees for banks and insurance companies.</p>	<p>Insurance and reinsurance companies are subject to license fees under the IA.</p> <p>Trust companies may be subject to license fees under the Regulation of Trust Business Act 2001 (the "Trusts Act").</p>	<p>The regulations are contained in the legislation stated above.</p>	<p>Any requisite license fees will have to be paid to the Government.</p>	<p>General: Annual Franchise Fee of usd300. A company operating in Panama that requires a license must pay 2% of its capital with a minimum of usd100 and a maximum of usd60,000.</p> <p>Banks: Must pay the following:</p> <p>A) Annual Regulation and Supervision Fee (varies depending on license).</p> <p>General License: usd30,000 plus usd35 for each million in total assets with a maximum of usd100,000.</p> <p>International License: usd15,000.</p> <p>Representative License: usd5,000.</p> <p>B) Annual tax (varies on type of license).</p> <p>General License: from usd50,000 up to usd350,000 depending on total assets.</p> <p>International License: usd50,000.</p> <p>Trust Companies: usd1,000 fee with application.</p> <p>Insurance: usd2,000 fee with application and an annual fee of usd2,500.</p> <p>Reinsurance: usd1,000 fee with application and an annual fee of usd1,000.</p>

TRADE	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
What additional regulations need to be complied with?	The legislation as noted above applicable to the formation of companies, together with the compendium of Compliance and Anti-Money Laundering legislation.		Insurance and reinsurance companies will be subject to regulation under the IA. Trust companies will be subject to regulation under the Trusts Act.	The regulations are contained in the legislation stated above.	Banks: Decree Law 9 of 1998 as amended by Decree Law 2 of 2008; Agreement No. 3 of 2001 and Agreement No. 2 of 2006. Trust Companies: Law 1 of 1984; Executive Decree 16 of 1984. Insurance: Law 59 of 1996. Reinsurance: Law 63 of 1996. Captive Insurance: Law 60 of 1996.
Can transactions be <i>ultra vires</i> if outside company's objects?	The doctrine of <i>ultra vires</i> has no application to an IBC.	Yes. However, it should be noted that a Bermuda company may now be incorporated with unrestricted objects or amend its memorandum of association to provide for unrestricted objects.	No (Section 28).	Yes, but it is possible to draft "an unrestricted" objects clause.	No

PART IV MEETINGS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Where can directors' meetings be held?	Domestic – Directors' meetings may be held within or outside The Bahamas (CA s. 92(1)). IBC – Directors' meetings may be held within or outside The Bahamas (IBCA s. 48(1)).	Anywhere. There is no requirement to hold board meetings in Bermuda.	Anywhere in the world unless otherwise mandated in the company's Articles.	Anywhere subject to the provisions of the company's Articles of Association.	Anywhere the directors deem convenient.
Where can Annual General Meetings be held?	Domestic – Annual General Meetings may be held within or outside The Bahamas (CA s. 68 & 69). IBC – Annual General Meetings may be held within or outside The Bahamas (IBCA s. 60(1)).	Anywhere. There is no requirement to hold AGMs in Bermuda.	Anywhere in the world unless otherwise mandated in the company's Articles.	No restrictions.	Anywhere the directors deem convenient depending on the Articles of Incorporation; but if the Articles do not specify, then the meeting must be held in the Republic of Panama.
Are there time limits for Annual General Meetings?	Domestic – Once a year. IBC – No requirement to hold an Annual General Meeting.	An AGM of a company must be held at least once in every calendar year.	An ordinary company must hold a general meeting at least once in every year (Section 58). There is no requirement for an exempted company to hold an Annual General Meeting.	No	No

MEETINGS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What constitutes a quorum for:</p> <p>Annual General Meetings?</p>	<p>Domestic – A majority of the shareholders entitled to vote at the meeting are present in person or represented by proxy (CA s. 70(1)).</p> <p>IBC – More than one half of the shares of each class or series if no quorum is established in the company’s Memorandum or Articles of Association (IBCA s. 62).</p>	<p>This will be determined by the by-laws of the company.</p>	<p>As provided in the company’s Articles.</p>	<p>No provisions in legislation.</p>	<p>Simple majority (half plus one) of all issued shares, unless the company’s Articles provide otherwise.</p>
<p>Directors’ Meetings?</p>	<p>Domestic – A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum at any meeting of directors (CA s. 92(2)).</p> <p>IBC – This is set by the company’s Articles of Association (IBCA s. 50).</p>	<p>Two directors.</p>	<p>As provided in the company’s Articles.</p>	<p>No provisions in legislation.</p>	<p>Simple majority (half plus one) of all issued shares, unless the company’s Articles provide otherwise.</p>
<p>Where must minutes be kept for:</p> <p>Shareholders’ Meetings?</p>	<p>Domestic – Registered office of the company (CA. s. 18(1)(b)).</p> <p>IBC – This is fixed by the company’s constitutive documents.</p>	<p>The registered office.</p>	<p>The location at which minutes are to be kept is not specified by law.</p>	<p>At its registered office.</p>	<p>Where the directors deem convenient. Regulated entities (banks, insurance companies, trust companies, etc.) must keep them in the Republic of Panama.</p>
<p>Directors’ Meetings?</p>	<p>This is fixed by the company’s constitutive documents.</p>	<p>The registered office.</p>	<p>The location at which minutes are to be kept is not specified by law.</p>	<p>At its registered office.</p>	<p>Where directors deem convenient. Regulated entities must keep them in the Republic of Panama.</p>

MEETINGS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
What are the requirements regarding meeting notices?	Domestic – Notice of a directors meeting is set by the directors (CA s. 92(1)). IBC – Directors are required to have a minimum of two days notice of a meeting of the Board of Directors (IBCA s. 49(1). Shareholders are required a minimum of seven days notice (IBCA s. 60(1)).	Notice of all general meetings shall specify the place, day, hour and, in case of special general meetings, the general nature of the business to be considered. The CA requires that at least five days' notice of any meeting shall be given. The by-laws may provide for longer periods.	In the absence of provision in the Articles, five days' notice must be given to each member.	No statutory requirement but generally Articles provide that notices must be in writing and must be given by the company to any member either personally or by sending it by post, cable, or telex to him/her or their address, as shown on the Register of Members.	Notice in writing given not less than 10 days or more than 60 days prior to the date of the meeting, unless otherwise provided in the company's Articles. Notice must include the date, time and place where meeting will be held and the agenda. If shares have been issued to the bearer, notice must be published in a newspaper.
May resolutions be in writing?	Yes	Yes, provided that the by-laws of the company do not state otherwise.	If authorised by the company's Articles (Section 60(1)(b)).	Yes	Yes

PART V - PLACE OF BUSINESS OF FOREIGN COMPANY	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Does a foreign company having activities in the territory have to register?</p> <p>If so, what has to be registered?</p>	<p>Yes, it has to register a certified and authenticated copy of its constitutive documents together with a statement outlining the following particulars (CA s. 173):</p> <ul style="list-style-type: none"> • The name of the company • The place of incorporation • The date of incorporation • The governing by-laws of the company • The duration of the company • The liability of the shareholders • The proposed undertaking of the company in the Commonwealth of The Bahamas • When the company proposes to commence its undertaking in The Bahamas • The stated capital of the company • The principal address of the company outside The Bahamas • The principal address of the company in The Bahamas • The name, address and occupation of the company's directors 	<p>An overseas company may not engage in or carry on any trade or business in Bermuda without a permit. These companies are typically referred to as "permit companies."</p>	<p>A copy, certified and authenticated under public seal of the country, city or place under the laws of which the foreign company has been incorporated, of its charter, statutes or memorandum and articles of association, or other instrument constituting or defining its constitution of the foreign company, and, if the instrument is not written in English, a certified translation thereof.</p> <p>A list of its directors, containing such particulars with respect to the directors as are required to be contained with respect to directors in the register of the directors of a company in terms of the statute.</p> <p>The names and addresses of some one or more than one person resident in the Islands authorised to accept on its behalf service of process and any notices required to be served on it.</p>	<p>Each foreign company has a month after becoming a foreign company to register.</p> <p>The following is required:</p> <ul style="list-style-type: none"> • Certified copy – incorporation document, Memorandum & Articles of Association, and translation of document if the documents are not in English. • A list of all directors. • Names and addresses of some one or more than one person who is resident in TCI authorised to accept on its behalf service of process. • Fee to the Registrar upon registration and annually. 	<p>Yes. The following must be registered:</p> <ul style="list-style-type: none"> • Articles of Incorporation. • Balance sheet. • Resolution authorising registration in Panama as a foreign company, indication of the assign capital for local operations and the list of directors and officers. • Certificate of Good Standing.
<p>Does a foreign company require a Registered Office?</p>	<p>Yes, it must maintain a Registered Office in The Bahamas and that address must be registered with the Registrar General's Department (CA s. 181).</p>	<p>No</p>	<p>The provisions of the statute relating to the registration of foreign companies are not explicit on this point, but it is the expectation of the Registrar of Companies that a Registered Office will be appointed.</p>	<p>No, but it must provide names and addresses of person(s) resident in TCI authorised to accept service on its behalf.</p>	<p>No</p>

PLACE OF BUSINESS OF FOREIGN COMPANY	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Does a foreign company require local agents?	No, a foreign company registered under the Companies Act, 1992, does not require a local agent. However, an IBC does require a local registered agent (IBCA s. 38(1)).	No	No, other than a person to accept service of process and any notices required to be served on it.	No, but it must provide names and addresses of person(s) resident in TCI authorised to accept service on its behalf.	Yes
Does a local agent have to be qualified or licensed?	Local agents must be a registered Financial and Corporate Service Provider, a bank or a trust company in good standing (IBCA s. 38(2)).	N/A	No, but in practice a Registered Office will be nominated and the provider of such service must be licensed under the Companies Management Law or the Banks & Trust Companies law.	Yes, if acting as a company manager or agent.	Yes
Can a company be re-domiciled: Outside of the territory?	An IBC, yes, provided the company submits a legal opinion by a person duly qualified in that jurisdiction to the Registrar General confirming: <ul style="list-style-type: none"> • The laws of the jurisdiction outside The Bahamas permit the continuation. • The company has complied with those laws. (IBCA s. 88). 	Yes	An exempted company incorporated with limited liability and a share capital may make such an application (Section 206).	The company can be re-domiciled outside the territory with consent of the Registrar.	Yes
Into the territory?	An IBC, yes, provided the company submits to the Registrar General: <ul style="list-style-type: none"> • Articles of continuation, accompanied by a copy of the Memorandum and Articles of the Company and evidence that the company is in good standing. • A written authorisation designating one or more persons who may give notice to the Registrar General that the articles of continuation should become effective (IBCA s. 85). 	Yes	A body corporate incorporated, registered or existing with limited liability and a share capital under the laws of any jurisdiction outside the Islands may make such an application (Section 201).	The company can be re-domiciled into the territory upon application to the Registrar.	Yes

PART VI SECRETARY	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Does the Secretary have to be a local resident?	No, the Secretary may be appointed outside the territory.	No, the secretary does not need to be a local resident so long as there is a director or resident representative who is ordinarily resident in Bermuda.	No	The Secretary does not have to be a local resident.	No
Can an assistant Secretary or second Secretary be appointed outside the territory?	Yes	Yes, an assistant secretary can be appointed outside the territory.	Yes	An assistant Secretary or second Secretary is allowed to be appointed.	Yes
Does the company require a seal?	Yes	No, a company may, but need not, have a common seal.	No	All companies require a corporate seal.	No
Can there be a seal for use outside the territory?	Yes, provided the seal is adopted by the company.	Yes, the company may keep one or more duplicate common seals for use in any place inside or outside of Bermuda.	Yes (Section 84(1)).	If it is authorised by its articles then a seal can be used outside the territory. This will be a facsimile of the common seal of the company.	Yes, if seal is adopted.
Where must the seal be kept?	The directors provide for the safe-keeping of the seal, which is usually maintained at the Registered Office of the company.	The company's registered office.	At such place as the company may, from time to time, determine and in default of any such determination, at its registered office (Section 84(1)).	No provision in the Ordinance.	If adopted, where the directors deem convenient.
Does the Secretary have to be qualified or licensed?	No	No	No	No	No

PART VII ACCOUNTS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Do accounts have to be prepared?	IBC – A company shall keep such financial statements, accounts and records as the directors consider necessary or desirable in order to reflect the financial position of the company (IBCA s. 67(1)).	Yes, every company must keep proper records of account with respect to: <ul style="list-style-type: none"> • All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place. • All sales and purchases of goods by the company. • The assets and liabilities of the company. 	The statute requires that every company shall cause to be kept proper books of account with respect to: <ul style="list-style-type: none"> • All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; • All sales and purchases of goods by the company; • The assets and liabilities of the company; and provides that proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions (Section 59), but there is no obligation that such accounts be audited.	While every Company shall keep proper books of accounts, there are provisions in Table B which can be excluded in whole or in part.	No. However, certain regulated entities must prepare accounts.
Is it necessary to file accounts?	No, unless such an obligation arises by virtue of the company being licensed under another statute where such filing may be required.	No	No, unless such an obligation arises by virtue of the company being licensed under another law.	No	No. However, certain regulated entities must prepare accounts.

ACCOUNTS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
What information is required in accounts regarding: Subsidiaries?	This is fixed by the company's Memorandum and Articles of Association.	No specific information is required by the CA.	Only insofar as to give a "true and fair" view.	No specific legislation provisions.	N/A
Associated Companies?	This is fixed by the company's Memorandum and Articles of Association.	No specific information is required by the CA.	Only insofar as to give a "true and fair" view.	No specific legislation provisions.	N/A
Are group accounts required?	No, group accounts are not required pursuant to the Companies Act, 1992 or the International Business Companies Act, 2000.	No	No	No	No
What records are required to be kept in the jurisdiction?	<p>A Domestic company is required to keep the following at its Registered Office:</p> <ul style="list-style-type: none"> • Copy of the Memorandum and Articles and all amendments thereto. • Minutes of meetings and resolutions of shareholders of the company. • Copies of any notice that is required under this Act. • Any register or such like document that is required under this Act (CA s. 18(1)). <p>An IBC is required to keep the following at its Registered Office:</p> <ul style="list-style-type: none"> • A copy of the Memorandum and Articles and all amendments thereto. 	<p>The records of account must be kept at the registered office of the company or at such other place as the directors think fit.</p> <p>If records of account are kept outside Bermuda, there must be kept at the office of the company in Bermuda such records as will enable the directors or a resident representative to ascertain with reasonable accuracy the financial position of the company at the end of each three-month period. Where the company is listed on an appointed stock exchange, such records must be kept that will enable the directors or resident representative to ascertain with reasonable accuracy the financial position of the company at the end of each six-month period.</p>	<p>Ordinary companies only:</p> <ul style="list-style-type: none"> • Register of Members (Section 40). <p>Ordinary companies and exempted companies:</p> <ul style="list-style-type: none"> • Register of Mortgages (Section 54). • Register of Directors and Officers (Section 55). 	Nothing specific.	The records that the directors deem convenient.

ACCOUNTS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What records are required to be kept in the jurisdiction?</p>	<ul style="list-style-type: none"> • A register of all its directors and officers. • Such other records as the Minister may by order prescribe. • A common seal and an imprint thereof (IBCA s. 67(2)). 				
<p>Is an audit required? If so, what qualification is required?</p>	<p>No. However, this may be determined by the company's constitutive documents or may be a requirement if the company conducts business of a category regulated under another law.</p>	<p>Yes, but the requirement may be waived if all members and directors of a company agree, in respect of a particular period, that no financial statements or auditor's reports need to be reviewed at a general meeting or that no auditor will be appointed until the close of the next annual general meeting.</p>	<p>An audit is not required in terms of the statute but may be required if a company conducts business of a category regulated under another law.</p>	<p>No</p>	

PART VIII - LOANS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Do charges have to be registered?	No	No. However, it is advisable to register a charge in order to ensure the priority of the charge in Bermuda.	Only in the Register of Mortgages & Charges maintained by the company (Section 54).	No current provision for registration of charges at the Companies Registry.	No. However, registration of general pledge of assets is optional. Mortgages over immovable property located in Panama must be registered in the Public Registry.
Are there limitations on borrowing?	No. However, an IBC is deemed non-resident for Exchange Control purposes and cannot borrow Bahamian dollars. It must deal in foreign currency unless otherwise permitted by the Central Bank of The Bahamas.	If expressly provided for in the constitutional documents of a company.	No	No – subject only to company's Articles of Association.	No
Are there capital-to loan ratios?	No, except for banking and financial institutions regulated under the Banks & Trust Companies Regulations or the Insurance Act.	No	No, except for banking and financial institutions regulated under the Banks & Trust Companies Law or Insurance Law.	No, except for banks.	No
Is there a process for striking off without formal liquidation?	<p>Domestic – Yes. The Registrar of Companies can remove a domestic company from the Register of Companies (CA s. 271).</p> <p>IBC – Yes. The Registrar of Companies may strike off a company if he has come to believe that the company no longer complies with the Act (IBCA s. 165).</p>	Yes, the Registrar may strike off a defunct company under the CA.	Yes (Sections 156).	Yes. Where Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, he may strike the company off the Register and the company shall thereupon be dissolved.	Annual franchise tax for 10 years.
What is the cost of a liquidation?	Minimal government filing fees are levied. Liquidator's and legal fees are by agreement and negotiable.		Minimal government filing fees are levied. Liquidator's and legal fees are by agreement.	There is a usd250 fee payable to Turks and Caicos Islands Government.	usd600 for dissolution and standard liquidation.

LOANS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What are the reporting requirements relating to the liquidation or striking off?</p>	<p>Publication of notices in the Official Gazette.</p>	<p>For a liquidation, notices of the winding-up of a company, the appointment of a liquidator and proof of debts must be published in the Official Gazette. The Registrar of Companies must also be notified in writing. Once the liquidation is approved by the shareholders, the Registrar must be informed and, upon submission of the relevant documents, will issue a certificate of dissolution.</p>	<p>Advertising in Official Gazette.</p>	<p>Where Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, he may strike the company off the Register and the company shall thereupon be dissolved.</p> <p>Company may be voluntarily wound up if the company has passed a special resolution to this effect. Notice of the special resolution must be served on the Companies Registry and in the Gazette. Once the affairs of the company are fully wound up the liquidator must call a general meeting to have the liquidator's account laid before the meeting. Notice of the meeting must be published in the Gazette and least one month prior to meeting. The liquidator must report on the meeting to the Registrar. The company is deemed dissolved upon the expiration of three months from the registration of such return.</p>	<p>Dissolution must be filed in the Public Registry and notice published in a local newspaper.</p>
<p>What are the requirements as to the retention of records and where must records be retained?</p>	<p>No requirement to retain records unless governed by another law or statute.</p>		<p>Six years.</p>		

PART IX - GENERAL	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama																																																																																																																							
Is a company perpetual?	Yes, unless registered as a Limited Duration Company.	Yes	Yes, unless registered as a Limitation Duration Company.	Companies are perpetual, unless struck off by the Registrar or wound up.	Yes, if so expressed in the Articles of Incorporation.																																																																																																																							
Does the company have to show that its liability is limited?	See chart below. A domestic company is also restricted from using the following: Corporation, Corp., Gesellschaft mit beschränkter Haftung, GmbH., Societe Anonyme, and Sociedad Anonima. An IBC is not restricted in its use of these designations.	Yes, a company limited by shares or a company limited by guarantee must contain in its name the word "Limited" or "Ltd." The CA provides that the word "Limited" or "Ltd." can only be dispensed where it is proved to the satisfaction of the Minister of Finance that the company to be formed is charitable or promotes art, science, religion or sport and complies with certain other requirements listed in the CA.	Ordinary Companies - Yes. Exempted Companies - No.	Ordinary Companies - Yes. Exempted Companies - No.																																																																																																																								
If so, is the company free to use any of the following for this purpose?	<table border="1"> <thead> <tr> <th></th> <th>Domestic Companies</th> <th>IBC Companies</th> </tr> </thead> <tbody> <tr> <td>Limited</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Ltd</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Incorporated</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Inc</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Limitada</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>S.A.</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>A.G.</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>		Domestic Companies	IBC Companies	Limited	Yes	Yes	Ltd	Yes	Yes	Incorporated	No	Yes	Inc	No	Yes	Limitada	No	Yes	S.A.	No	Yes	A.G.	No	Yes	<table border="1"> <thead> <tr> <th></th> <th>Local Companies</th> <th>Exempted Companies</th> </tr> </thead> <tbody> <tr> <td>Limited</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Ltd</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Incorporated</td> <td>No</td> <td>No</td> </tr> <tr> <td>Inc</td> <td>No</td> <td>No</td> </tr> <tr> <td>Limitada</td> <td>No</td> <td>No</td> </tr> <tr> <td>S.A.</td> <td>No</td> <td>No</td> </tr> <tr> <td>A.G.</td> <td>No</td> <td>No</td> </tr> </tbody> </table>		Local Companies	Exempted Companies	Limited	Yes	Yes	Ltd	Yes	Yes	Incorporated	No	No	Inc	No	No	Limitada	No	No	S.A.	No	No	A.G.	No	No	<table border="1"> <thead> <tr> <th></th> <th>Ordinary Companies</th> <th>Exempted Companies</th> </tr> </thead> <tbody> <tr> <td>Limited</td> <td>Yes (Section 7(1)(a))</td> <td>Yes</td> </tr> <tr> <td>Ltd</td> <td>Yes (Section 7(1)(a))</td> <td>Yes</td> </tr> <tr> <td>Incorporated</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Inc</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Limitada</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>S.A.</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>A.G.</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>		Ordinary Companies	Exempted Companies	Limited	Yes (Section 7(1)(a))	Yes	Ltd	Yes (Section 7(1)(a))	Yes	Incorporated	No	Yes	Inc	No	Yes	Limitada	No	Yes	S.A.	No	Yes	A.G.	No	Yes	<table border="1"> <thead> <tr> <th></th> <th>Ordinary Companies</th> <th>Exempted Companies</th> </tr> </thead> <tbody> <tr> <td>Limited</td> <td>Yes</td> <td rowspan="2">No restrictions</td> </tr> <tr> <td>Ltd</td> <td>Yes</td> </tr> <tr> <td>Incorporated</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Inc</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Limitada</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>S.A.</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>A.G.</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>		Ordinary Companies	Exempted Companies	Limited	Yes	No restrictions	Ltd	Yes	Incorporated	No	Yes	Inc	No	Yes	Limitada	No	Yes	S.A.	No	Yes	A.G.	No	Yes	<table border="1"> <thead> <tr> <th></th> <th>Ordinary Companies</th> <th>Exempted Companies</th> </tr> </thead> <tbody> <tr> <td>Limited</td> <td></td> <td></td> </tr> <tr> <td>Ltd</td> <td></td> <td></td> </tr> <tr> <td>Incorporated</td> <td>Yes</td> <td>N/A</td> </tr> <tr> <td>Inc</td> <td>Yes</td> <td>N/A</td> </tr> <tr> <td>Limitada</td> <td></td> <td></td> </tr> <tr> <td>S.A.</td> <td>Yes</td> <td>N/A</td> </tr> <tr> <td>A.G.</td> <td>Yes</td> <td>N/A</td> </tr> </tbody> </table>		Ordinary Companies	Exempted Companies	Limited			Ltd			Incorporated	Yes	N/A	Inc	Yes	N/A	Limitada			S.A.	Yes	N/A	A.G.	Yes	N/A
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GENERAL	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Is a Company prohibited from using certain words in its name?</p> <p>e.g:</p>				Without written consent from the Permanent Secretary of Finance, companies are prohibited from using the words, Royal, Imperial, Bank, Trust, Insurance, Corporate, Corp., Underwriter, Building Society, Commonwealth, Guarantee, Indemnity, Fidelity, Assurance, Co-operative Society, Trustee, British, Empire, Municipal, Chartered, Friendly Society, Reinsurance	
royal	Yes, except with the consent of the Registrar of Companies.	Yes, if it suggests patronage of royal family or connection with any government, whether of Bermuda or elsewhere.	Yes, except with the consent of the Registrar (Section 30(2)(a)).		No
imperial	Yes, except with the consent of the Registrar of Companies.	No	Yes, except with the consent of the Registrar (Section 30(2)(a)).		No
bank	Yes. However, use is subject to compliance with the Bank and Trusts Companies Regulations Act.	No	Yes, use is subject to compliance with the terms of the Banks & Trust Companies Law.		Yes (unless approved by regulatory entity).
trust	Yes. However, use is subject to compliance with the Bank and Trusts Companies Regulations Act.	No	Yes, use is subject to compliance with the terms of the Banks & Trust Companies Law.		Yes (unless approved by regulatory entity).
insurance	Yes. However, use is subject to compliance with the Insurance Act and approval by the Registrar of Insurance.	No	Yes, use is subject to compliance with the terms of the Insurance Law.		Yes (unless approved by regulatory entity).
corporation or corp	No, so long as followed by "Limited" or "Ltd." in the case of a domestic company. There is no such restriction for an IBC.	No	No, so long as followed by "Limited" or "Ltd." in the case of an ordinary company. There is no such restriction for an exempted company.		No
other	See Appendix A for detailed discussion of naming restrictions.	Yes, "Chamber of Commerce," "municipal," "chartered," "co-operative" and "building society." Generally, no company may be registered with a name which, in the opinion of the Registrar, is undesirable.	See Appendix A for detailed discussion of naming restrictions.		Yes

GENERAL	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Are there any Exchange Controls?</p> <p>If so, what are the reporting requirements?</p>	<p>Yes. Domestic companies are deemed resident for exchange control purposes and are subject to exchange control regulations. In the event that a domestic company is beneficially owned by non-Bahamians and is conducting business outside the jurisdiction, it should apply to the Central Bank to be designated non-resident for exchange control purposes to ensure that it is not subject to exchange controls. IBCs are deemed to be non-resident for exchange control purposes and are not subject to exchange controls unless the IBC is deemed resident for exchange control purposes by the Central Bank or by some other statute regulating its activities in The Bahamas.</p>	<p>Bermuda is independent for the purposes of exchange control. Exempted companies and permit companies are designated non-resident for exchange control purposes. This designation allows these entities to operate free of exchange control regulations.</p>	<p>No</p>	<p>No exchange controls.</p>	<p>No</p>
<p>Can bank accounts be maintained in foreign currencies?</p>	<p>Yes. In some instances the prior approval of the Central Bank may be required.</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>
<p>What is the official language for legal documents?</p>	<p>English</p>	<p>English</p>	<p>English</p>	<p>English</p>	<p>Spanish. Other languages can be used, but certified translations are required for filing at public offices.</p>
<p>Which legal documents are to be executed under seal?</p>	<p>Deeds</p>		<p>Deeds only (at directors' discretion).</p>	<p>Deeds only.</p>	<p>N/A</p>
<p>Which legal documents are to be sworn before a notary?</p>	<p>None</p>		<p>None</p>	<p>None</p>	<p>Amendments to the Articles of Incorporation.</p>

PART X INVESTMENT FUNDS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What are the most common fund structures and when are they utilised?</p>	<p>The most common fund structures are Company (including Segregated Accounts Company), Limited Partnership and Unit Trust. Segregated Accounts Companies may be used.</p>	<p>The most common fund structure is formed by incorporating an exempted company which is stated to be mutual fund. Other fund structures include:</p> <ul style="list-style-type: none"> • Unit trust scheme • Closed-ended fund • Limited Partnerships 	<p>Company, partnership and trust structures are all available for use.</p>	<p>The most common fund structures are open-ended investments funds either issuing preference shares in local limited companies or interests in limited liability partnerships.</p>	<p>Corporations and Trusts.</p>
<p>Are segregated cell structures available?</p>	<p>Yes. Segregated cell structures are available.</p>	<p>Segregated cell structures are available.</p>	<p>Segregated Portfolio Companies may be used.</p>	<p>Segregated cell structures are available but only for licensed insurance companies.</p>	<p>No.</p>
<p>What types of funds are required to register with the local authorities?</p>	<p><i>See Appendix B for detailed discussion of regulation requirements (page 30).</i></p>	<p>The Investment Funds Act 2006 ("IFA") and related regulations apply to mutual fund companies, unit trusts and limited partnerships but not closed-ended funds.</p> <p>The IFA requires funds to be authorised unless they are exempted from authorisation. If authorised, funds are classified as "Institutional Funds", Administered Funds" or "Standard Funds" and will be registered with the Bermuda Monetary Authority.</p>	<p>There are three types of regulated mutual funds under the Law: a Licensed Mutual Fund, an Administered Mutual Fund and a Registered Mutual Fund.</p> <p><i>See Appendix B for detailed discussion of regulation requirements (page 3).</i></p>	<p>All funds are required to register with the local authorities except those on the stock exchange or those exempted by law. Exempted funds are:</p> <ul style="list-style-type: none"> • Mutual funds in which the equity interests are held by not more than 15 investors, the majority of whom are capable of appointing or removing the operator of the fund. • Mutual funds that are only authorised to issue equity interests to professional investors are exempt from the requirements if at all times a mutual fund administrator provides an office in the Islands for the fund. 	<p>Those that are publicly offered in Panama; and those that are managed in or from Panama, unless they are private funds. Private Funds are those that are not publicly offered and are limited to no more than 50 investors with a net worth of at least one million dollars (qualified investors).</p>

INVESTMENT FUNDS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What are the different categories and fees of registration?</p> <p>How long does it take?</p>	<p>Application fees for a Investment Fund License for Standard, Professional or SMART Funds is BSD750 and non-refundable. The initial registration fee for a Recognized Foreign Fund is BSD100 and non-refundable. The initial filing fee for Investment funds licensed by an Unrestricted Investment Fund Administrator is BSD750.</p> <p>Annual Investment Fund License Fees for Standard, Professional or SMART Investments Funds is BSD950, which is payable in the first year and pro-rated from the date of licensing to December 31 of that year.</p> <p>Annual Investment Fund License Fee for Self Administered Standard, Professional or SMART Investment Funds is BSD1,000, which is payable in the first year and pro-rated from the date of licensing to December 31 of that year.</p> <p>The annual filing fee for Investment Funds licensed by an Unrestricted Investment Fund Administrator is BSD950, which is payable in the first year and pro-rated from the date of licensing to December 31 of that year.</p> <p>Investment funds with sophisticated "eligible" investors only may be</p>	<p>An exempted company is liable to pay an annual registration fee on a sliding scale based upon its assessable capital (the sum of its authorised share capital and share premium account or, in the case of a mutual fund, its authorised share capital). Fees start at BMD1,995 and rise to BMD31,120. The fee for a mutual fund would typically be BMD1,995.</p> <p>A unit trust is not liable to pay an annual registration fee but if its manager is a company to which the CA applies, such manager will be required to pay an annual fee, currently BMD2,905, in respect of each unit trust managed by that management company.</p> <p>The annual fee payable by an exempted partnership registered as a limited partnership is currently BMD2,235.</p> <p>The IFA provides for the payment of various fees on the making of an application for authorisation or exemption, on the making of an application for a change of classification and annually thereafter on or before 30 April, as follows:</p> <ul style="list-style-type: none"> • Application fee for authorisation (all funds) - BMD750. • Reclassification fee (all funds) - BMD750. 	<p>There are three types of regulated mutual funds under the law: a Licensed Mutual Fund, an Administered Mutual Fund and a Registered Mutual Fund.</p> <p>Licensed Mutual Fund A fund which has applied for and been granted a Mutual Fund License by CIMA and has either (a) if a company or a partnership, a registered office in the Cayman Islands, or (b) if a unit trust, a trustee licensed under the Banks and Trust Companies Law of the Cayman Islands.</p> <p>Administered Mutual Fund A fund which has a licensed mutual fund administrator providing its principal office in the Cayman Islands.</p> <p>Registered Mutual Fund A fund which either (a) has a minimum subscription per investor of USD100,000 (or its equivalent in any other currency) or (b) has listed its equity interests on a stock exchange approved by CIMA.</p> <p>This is the most common and straightforward form of regulated fund in the Cayman Islands. If the fund satisfies one of the above two criteria, there is no requirement for it to be represented by a licensed</p>	<p>Mutual funds administrator license fee: USD2,000.</p> <p>Restricted mutual fund administrators license fee: USD1,000.</p> <p>Exempted mutual funds fee: USD200.</p> <p>Registration of a mutual fund: USD500 with annual fee of USD500.</p> <p>Recognition of a mutual fund application fee: USD500.</p> <p>Licensed mutual fund annual fee: USD500.</p> <p>The length of time to register will depend on the nature of the fund, its complexity and the amount of due diligence required to be carried out by the Financial Services Commission. Typically registration takes between three to six weeks.</p>	<p>Registry is only with the National Securities Commission. Fees depend on the structure and amount of the fund. Time frame for registration is approximately four months.</p>

INVESTMENT FUNDS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>What are the different categories and fees of registration?</p> <p>How long does it take?</p>	<p>licensed by an Unrestricted Fund Administrator or the Securities Commission of The Bahamas. A Standard Investment Fund must be licensed by the Securities Commission of The Bahamas.</p> <p>An Investment Fund licensed by an Unrestricted Fund Administrator may take one day or same day once all documents are approved by the relevant parties (sponsors, lawyers, administrators) and due diligence is complete.</p> <p>With respect to Investment Funds licensed by the Securities Commission, where the Investment Fund is limited to eligible investors, the Securities Commission will license within 72 hours. Where the Investment Fund is of a retail nature, the Securities Commission will license within six to eight weeks.</p>	<p>Annual Fee:</p> <ul style="list-style-type: none"> • Institutional fund - BMD850. • Administered fund - BMD850. • Standard fund - BMD1,350. <p>Application fee for exempted funds - BMD500.</p> <p>Annual fee for exempted funds - BMD600.</p> <p>It generally takes two to five days for the BMA to process an application.</p>	<p>mutual fund administrator or to be licensed by CIMA. This form of fund is the least regulated and supervised as it is assumed that persons who are in a position to invest the minimum subscription amount of USD100,000 are sophisticated enough to understand and assess the risks in making an investment in the fund or that the listed funds will be subject to regulation and supervision by the relevant stock exchange.</p> <p>Funds in each category pay the same annual fee to CIMA, currently KYD3,000 (USD3,690) per annum.</p>		
<p>Are local directors, administrators, auditors or other service providers required?</p>	<p>Funds are not required to have local directors.</p> <p><i>See Appendix C for detailed discussion (page 32).</i></p>	<p>Yes, a fund must appoint an investment manager, auditor and administrator.</p>	<p>An entity regulated in terms of the Mutual Funds Law is required to appoint an approved local auditor.</p>	<p>Yes</p>	<p>Not unless the fund is managed from Panama, in which case administrators, auditors and service providers must be local.</p>

INVESTMENT FUNDS	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
Are any local taxes imposed on the fund or its investors?	No, save for the payment of annual registration fees to the Registrar of Companies and the Securities Commission of The Bahamas.	There is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by a mutual fund company, a closed-end fund, a unit trust, a limited partnership or their shareholders, unit holders or limited partners other than shareholders or unit holders or limited partners ordinarily resident in Bermuda.	No, save for the payment of the annual registration fees to the Registrar of Companies (applicable to all companies) and the Cayman Islands Monetary Authority.	There are no local taxes on funds or their investors.	Only if income is generated within the territory of the Republic of Panama.
Is there a local stock exchange to list an investment fund?	Yes, The Bahamas International Stock Exchange.	Yes, the Bermuda Stock Exchange.	Yes, the Cayman Islands Stock Exchange.	There is no local stock exchange in TCI.	Yes
Are locally incorporated investment managers required to register with local authorities?	Yes, under the Securities Industry Act and Regulations.	Yes	Yes, under the Securities Investment Business Law.	All locally incorporated investment managers are required to be licensed by and register with the local authorities.	Yes

APPENDIX A

What restrictions are placed on the use of certain words in a company name?

The Bahamas

ASSURANCE – Only with the express prior permission of the Registrar of Companies.

BUILDING SOCIETY – Only with the express prior permission of the Registrar of Companies.

CHAMBER OF COMMERCE – Only with the express prior permission of the Registrar of Companies.

CHARTERED – Only with the express prior permission of the Registrar of Companies.

COOPERATIVE – Only with the express prior permission of the Registrar of Companies.

MUNICIPAL – Only with the express prior permission of the Registrar of Companies.

Also restricted is any other word that, in the opinion of the Registrar, suggests or is calculated to suggest the patronage of or any connection with Her Majesty or any member of the Royal Family or the Government of The Bahamas, a department thereof, a statutory corporation or board or a local or municipal authority.

Cayman Islands

Any name which in the opinion of the Registrar is undesirable or misleading; "Municipal," "Chartered" or any words which, in the opinion of the Registrar, suggest or are calculated to suggest a connection with any public or local authority.

No company shall be registered by a name which:

- Is identical with that by which a company in existence is already registered or so nearly resembles that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signified its consent in such manner as the Registrar requires.
- Contains the words "Chamber of Commerce" unless the company is a company which is to be registered under Section 80 of the statute.
- Contains the words "building society."

Except with the consent of the Registrar, no company shall be registered by a name which:

- Contains the words "royal," "imperial" or "empire" or in the opinion of the Registrar suggests, or is calculated to suggest, the patronage of Her Majesty or of any member of the Royal Family or connection with Her Majesty's Government or any department thereof in the United Kingdom or elsewhere.
- Contains the words "municipal" or "chartered" or any words which in the opinion of the Registrar suggest, or are calculated to suggest, connection with any public board or other local authority or with any society or body incorporated by Royal Charter.
- Contains the words "co-operative," "assurance," "bank," "insurance" or any similar word which in the opinion of the Registrar connotes any of such activities or any derivative of any of such four words or of such similar words, whether in English or in any other language, or in the opinion of the Registrar suggests, or is calculated to suggest, any of such activities.

A company that is not an exempted limited duration company shall not be registered by a name which includes at its end "Limited Duration Company" or "LDC."

APPENDIX B

What types of funds are required to register with the local authorities?

The Bahamas

The Investment Funds Act 2003 uses the term “investment fund” or “fund” as any unit trust, company (including a limited duration company) or partnership (whether incorporated or established within or outside of The Bahamas, and if established outside of The Bahamas is managed from The Bahamas); which issues or has equity interests the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and achieving profits or gains arising from the acquisition, holding, management or disposal of investments.

Under the Investment Funds Act:

An investment fund shall not carry on or attempt to carry on business unless:

- It is licensed as (i) a professional fund; (ii) a SMART fund; or (iii) a standard fund; or
- It is registered as a recognized foreign fund.

A professional or standard investment fund shall not carry on or attempt to carry on business unless:

- It has appointed an investment fund administrator to provide its principal office.
- If it is a unit trust, it has as its trustee (i) a trust company licensed under the Banks and Trust Companies Regulation Act, with an unrestricted license; (ii) a bank licensed under the Banks and Trust Companies Regulation Act, with an unrestricted license; (iii) such other bank or trust company as shall have a minimum paid-up capital and non-distributable reserves of bsd2,000,000 and is otherwise acceptable to the Commission; or (iv) a person approved by the Commission.
- A current offering document of the investment fund has been filed with the Commission which complies with the Investments Fund Act (Section 9).
- The prescribed fees have been paid in respect of the investment fund.

A SMART fund shall not carry on or attempt to carry on business unless:

- It complies with any written rule of the Commission establishing parameters or requirements in respect of the category, class or type of investment fund.
- The prescribed fees have been paid in respect of the investment fund.

The Commission has the discretion to establish parameters and requirements as to the administration of a SMART fund or the contents of the constitutive documents and offering documents of the SMART fund.

A recognised foreign fund shall not carry on or attempt to carry on business unless it has been registered with the Commission and it:

- Is licensed or registered in a prescribed jurisdiction; or
- Has submitted evidence of its listing on a prescribed securities exchange; and
- Has submitted to the Commission, within 30 days of the beginning of its operations as a Bahamas-based investment fund the prescribed details of the investment fund; and
- The prescribed fees have been paid in respect of the investment fund.

APPENDIX B

What types of funds are required to register with the local authorities?

Cayman Islands

The Mutual Funds Law uses the term “mutual fund” which is defined as any company, unit trust or partnership (whether incorporated or established within or outside of the Cayman Islands, and if established outside of the Cayman Islands is managed from the Cayman Islands):

1. Which issues equity interests (i.e., shares, trust units or partnership interests that carry an entitlement to participate in the profits or gains of the company, unit trust or partnership, as applicable);
2. Which may be redeemed or repurchased at the option of the investor before the commencement of the winding up or the dissolution of the company, unit trust or partnership;
3. The purpose or effect of which is the pooling of investor funds with the aim of spreading investment risk and enabling investors to receive profits or gains from investments.

(The definition specifically excludes persons licensed under the Banks and Trust Companies Law or the Insurance Law and persons registered under the Building Societies Law or the Friendly Societies Law of the Cayman Islands.)

By virtue of the definition, the law does not extend to closed-ended investment funds (i.e., where the equity interests may not be redeemed or repurchased at the option of the investor), nor to funds which issue only debt instruments. Under the law, all open-ended funds are regulated by Cayman Islands Monetary Authority (“CIMA”) with two exceptions. One exception is for a fund in which the equity interests are held by not more than 15 investors, the majority of whom are able to appoint or remove the operator of the fund (the “operator” being the directors in the case of a company, the trustee in the case of a unit trust, and the general partner in the case of a partnership). “Investor” is defined in the law as the legal holder of record. Thus, if all equity interests are issued to one or a few institutional nominees that hold as a matter of record such interests for the underlying investors, the fund will fall outside the scope of the law. The second exception is for a non-Cayman Islands domiciled fund which is regulated by an approved overseas regulatory authority or whose equity interests are listed on an approved stock exchange and which makes an invitation to the public in the Cayman Islands to subscribe for its equity interests by or through a person who holds a license under the Securities Investment Business Law (as revised) of the Cayman Islands for a regulated activity specified by CIMA for this purpose.

There are three types of regulated mutual funds under the law: a Licensed Mutual Fund, an Administered Mutual Fund and a Registered Mutual Fund.

1. Licensed Mutual Fund

A Licensed Mutual Fund is one which has applied for and been granted a Mutual Fund License by CIMA and has either (a) if a company or a partnership, a registered office in the Cayman Islands, or (b) if a unit trust, a trustee licensed under the Banks and Trust Companies Law of the Cayman Islands.

2. Administered Mutual Fund

An Administered Mutual Fund is one which has a licensed mutual fund administrator providing its principal office in the Cayman Islands.

3. Registered Mutual Fund

A Registered Mutual Fund is one which either (a) has a minimum subscription per investor of USD100,000 (or its equivalent in any other currency) or (b) has listed its equity interests on a stock exchange approved by CIMA.

This is the most common and straightforward form of regulated fund in the Cayman Islands. If the fund satisfies one of the above two criteria, there is no requirement for it to be represented by a licensed mutual fund administrator or to be licensed by CIMA. This form of fund is the least regulated and supervised as it is assumed that persons who are in a position to invest the minimum subscription amount of USD100,000 are sophisticated enough to understand and assess the risks in making an investment in the fund or that the listed funds will be subject to regulation and supervision by the relevant stock exchange.

APPENDIX C

Are local directors, administrators, auditors or other service providers required?

The Bahamas

An investment fund that is a unit trust shall have an operator and custodian who are independent of the investment fund administrator unless the fund is specifically exempted by the Securities Commission or the operator and custodian and the administrator are deemed to be independent of each other under the Regulations (Regulation 4).

An investment fund that is a company or a partnership shall have a custodian who is independent of the investment fund administrator and of the operator of the investment fund unless the fund is specifically exempted by the Securities Commission or the operator and custodian and the administrator are deemed to be independent of each other under the Regulations (Regulation 4).

The above does not apply to self-administered funds and administrators are not a requirement in the SFM 004 or SFM 006 SMART Funds. In addition, Foreign Custodians are permitted, if assets are of the type that requires safekeeping.

An auditor of an investment fund, in the case of an individual, must be a member in good standing of The Bahamas Institute of Chartered Accountants or of any other international accounting body prescribed by the Commission by notice in the Gazette; and in the case of a firm of accountants, the partners of the firm are all members of The Bahamas Institute of Chartered Accountants in good standing, or area members in good standing of any other international accounting body prescribed by the Commission by notice in the Gazette. Foreign auditors are acceptable, as approved by the Securities Commission. Annual audits are not required for the SFM 001 or SFM 006 SMART Funds. Investors may waive the requirement for SFM 002, 003, 004 and 005 SMART Funds.

CONTACT US	The Bahamas	Bermuda	Cayman Islands	Turks & Caicos Islands	Panama
<p>Information can also be obtained from the alliance's headquarters.</p> <p>Meritas Global Headquarters</p> <p>800 Hennepin Avenue Suite 600</p> <p>Minneapolis, Minnesota 55403 USA</p> <p>Tel: +1 612 339 8680</p> <p>meritas@meritas.org</p> <p>www.meritas.org</p>	<p>Chancellors Chambers is a full service law firm, providing advisory services covering all aspects of law relating to business activity and specializing in real estate and resort developments in The Bahamas, one of the premiere tourist destinations and international financial centres in the world.</p> <p>The Firm is affiliated with Chancellors Corporate Services Limited, a management company licensed under the Financial & Corporate Service Providers Act, 2000, to provide incorporation, corporate management, accounting and re-invoicing, nominee director, protector, offshore shared offices and virtual offices and business advisory services to clients. Chancellors Corporate Services Limited also provides business advisory services, financial services and entrepreneurial development services.</p>	<p>Cox Hallett Wilkinson (CHW) is one of Bermuda's leading commercial law firms.</p> <p>It was formed in January 1998 by the merger of two long established local law firms and subsequently strengthened its presence on the island with the merger with former Ernst & Young-tied firm Hollis & Co. in 2004.</p> <p>The firm serves a diverse local and international clientele focusing primarily on corporate and commercial, litigation and dispute resolution, real estate, employment and immigration, private client and intellectual property-related matters.</p>	<p>Established in 1970, Campbells is one of the leading law firms in the Cayman Islands. The firm provides a comprehensive range of legal services to the international and local financial markets with special emphasis on commercial matters and advises in connection with mutual funds, capital markets, banking and finance, trusts, general commercial matters, real estate, shipping, litigation, insolvency and restructuring, compliance and regulatory issues.</p>	<p>Miller Simons O'Sullivan was founded in 1981. It has grown over the years to be recognized as one of the largest and most experienced law firms in the Turks & Caicos Islands, advising in all aspects of commercial and corporate law.</p> <p>Miller Simons O'Sullivan is a full service law firm advising on all aspects of company and commercial law. It provides a full corporate formation and management service, and in association with M&S Trust Company Limited, a licensed trustee, can also provide its clients with full trustee services and investment services.</p> <p>The firm has an extensive international client base, and also acts for a substantial number of the larger commercial interests in the Turks & Caicos Islands.</p>	<p>Alemán, Cordero, Galindo & Lee was established in 1985 and quickly became one of Panama's leading law firms in the off-shore area as well as in representing large corporations doing business in the country. The firm's off-shore practice is supported by its offices in the British Virgin Islands, Belize, The Bahamas and Luxembourg, and also by a strong network of correspondents throughout Europe, Asia, the United States and Latin America. In its local practice, the banking department is one of the firm's main areas of strength, providing services to numerous banks established in the country. The firm's well-trained lawyers have strong expertise in their respective areas of practice and share the firm's commitment to providing prompt and efficient solutions to clients' needs. The firm invests heavily in telecommunications and computer equipment in order to ensure that contact with clients is maintained at an optimum level.</p>
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