



**USA Company Incorporation
&
Remote Bank Account Opening Package**

NO NEED TO TRAVEL TO THE USA!

USA (Delaware) Incorporation & Remote US Bank Account Opening Package

Information Kit for Members of the International Trade Council

Overview of the Package

Includes:

- Name check and clearance
- Preparation of articles
- Electronic filing for a Delaware LLC
- State incorporation fees
- 12 months registered agent fee
- Certificate of formation / incorporation
- LLC agreement / corporate by-laws
- Digital copies of documents
- Company Tax ID number / EIN number

Plus:

- **1 year registered agent service**
- **Virtual office mail address / mail forwarding service set up**
- **US phone number set up**
- **US fax number set up**
- **Remote opening of USA business bank account** *(FDIC Insured US-Based Bank)*
- **Registration for 5 years in the International Trade Directory**
<https://internationaltradedirectory.org>
- **5 years Quality in Business Certification** <https://qibcertification.org>

Standard Package Price - \$3000 USD

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Benefits of Having a US Company

Reduce costs, streamline operations and gain a competitive advantage.

- Access to **US bank accounts** and **credit card merchant facilities**.
- Potentially, to qualify for access to SBA **Small Business Loans** - The SBA can guarantee up to 85% of loans for \$150,000 or less and 75% of loans for more than \$150,000. The agency says its average loan amount was \$371,628 in 2015. The program's maximum loan amount is \$5 million and SBA loan rates and terms typically are more manageable than those for other types of financing.¹
- Potentially, **to qualify as a local company** when bidding on certain contracts – this is particularly important for those companies seeking to bid on government contracts.
- Being able to pay US-prices for **certain technologies** that are elsewhere more expensive.
- **Limiting the liability of the owner / parent company** - product liability lawsuits / various torts / general labor litigation and general liabilities.
- **To isolate the US transactions** from the rest of their worldwide business, and thereby not subject the books and records of the parent company.
- **Asset protection** for the individual owners - the corporation is a separate entity from its individual shareholders, or owners, and therefore has its own liabilities, responsibilities and tax identification number.
- Access to a **larger pool of venture capitalists** / potentially to qualify as a local company when seeking US venture capital.
- **Simplified bookkeeping** - consolidating all US transactions through a subsidiary helps to simplify the currency aspect of bookkeeping and accounting (stability in the accounting of income and expenses in dollars, instead of having to do currency conversions).
- **Possibilities to remain anonymous as the owner** - a Delaware LLC allows the members and managers to remain anonymous, making it easier to hide assets from people attempting to uncover the extent of your wealth². By naming a local Delaware attorney as the registered agent, you can remove all reference to you and the other investors. In fact, the only people who have to know about the income and assets of your Delaware LLC are the IRS. That makes it incredibly difficult for a potential creditor to identify where you have money invested or parked.
- **Potential qualification under various US Visa programs** - allowing longer-term stays in the US than may otherwise be possible.

¹ <http://www.sba.com/funding-a-business/small-business-loans/>

² US bank account & merchant account opening services are not possible if you use a nominee director.

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US Bank Account

Your Company Bank Account will be remotely opened with a FDIC Insured US-Based Bank.

Bank account opening is subject to due diligence from the bank.

Accepts International Wire Transfers? Yes

- ACH in USA
- International wire transfers (in and out) accepted

Fees:

Minimum deposit:	\$0
Monthly fees:	None
Overdraft fees:	None

Accounts

- Checking account
- Savings account
- Debit card
- Debit cards for staff / employees possible
- Virtual debit cards

Savings Account Earnings Rate: 0.75% - 1.5%

Payments

Sending & receiving ACH:	Free
Sending & receiving check:	Free
Sending domestic wires:	\$5
Receiving domestic wires:	Free
Sending international wires:	\$25
Receiving international wires:	Free

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Why a LLC in Delaware?

For foreign companies/individuals, there are two main business entities: the C Corporation and the LLC (*Limited Liability Company*). While an LLC and a C Corporation are both business structures that offer liability protection to owners of a company, they differ in several important ways.

- A single-member LLC is usually treated as a “pass-through” entity for taxes, meaning any profits pass through to the owners (reported on the individual level) – **the LLC Does not pay Federal Income Taxes**³. Furthermore, if the owner is a foreign citizen and non-resident in the USA, and the transactions of the company are neither ETOB or FDAP then it is possible that no corporate or individual taxes may apply.
- A C Corporation pays taxes on any profits (reported on the business level) plus on distribution to shareholders (prior to distribution).

To become a **C Corporation**, the business must have management and a board of directors and must file any required documents yearly. Businesses are taxed twice in C corps, once for corporation revenue and then again when that income passes through to C Corporation members (*i.e., shareholders*). Delaware Corporations must name one officer and the board of directors on the Delaware Annual Report which is Public Record. Owners/Shareholders are not named.

A Limited Liability Company (LLC) offers limited liability protection that is often superior to the protection for corporations because it is harder to “pierce the veil” and attach personal property to that of an LLC. Delaware LLCs do not file annual reports of any kind and LLC’s can raise capital by selling Membership Shares but LLC’s do not issue Stock Certificates.

Other benefits of a LLC:

- According to Section 2301(b) and (d) of the State’s code, Delaware LLCs not doing business in Delaware are not required to obtain a business license, register with the Department of Revenue, or pay Delaware’s gross receipts tax.
- LLCs in Delaware do not file annual reports (LLCs pay a flat \$300 annual tax, known as a ‘franchise tax’) and it’s due in June every year (including the year of incorporation) and can be paid online.
- Delaware LLCs don’t need to hold annual shareholders or board of directors meetings.
- LLCs require less paperwork and administrative formalities than corporations. Delaware LLCs are not required to have an operating agreement.
- Delaware LLCs safeguard your personal assets by building a shield between them and your business liabilities. If the business cannot pay a creditor, it is difficult for creditors to target your personal possessions.
- There are no minimum capital requirements for forming a Delaware LLC.
- Delaware’s “Charging Order” prevents creditors of your business partners from taking over the company. Rather, they can only get an economic interest in the LLC’s distributions to that member.
- The LLC business structure requires no corporate minutes or resolutions and is easier to operate.

³ <https://www.sba.gov/blogs/6-things-you-need-know-about-your-tax-responsibilities-llc>

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Benefits of Incorporating in Delaware

Delaware is one of the smallest states in the United States of America (USA). The population of Delaware sits at an approximated 954,900⁴.

As of December 1, 2016, more than 1,000,000 companies, both U.S.-based and offshore companies, have made the choice to incorporate in Delaware. Over 60% of the Fortune 500 firms and more than 50% of the companies traded on the New York Stock Exchange and NASDAQ are chartered as Delaware corporations. In the last seven years over 80% of new Initial Public Offerings (IPOs) have made Delaware their corporate home.

- You don't have to be a US resident or citizen to form a US corporation or LLC .
- A US Delaware corporation or LLC can be headquartered anywhere in the world (*you don't have to have a US office*).
- Your company records do not have to be kept in Delaware, or even in the US.
- Shareholders can act in writing instead of holding meetings.
- For LLC's - your name and address is not made public.
- Your Delaware company can hold real estate, tangible assets, or intellectual property.
- Different kinds of business can be transacted under one corporate roof.
- Delaware has no sales or personal property tax.
- Disputes are resolved in Delaware's Court of Chancery. Delaware has a separate court for the resolution of business disputes where here are no jury trials and the judges are highly experienced in business cases - handling business disputes in weeks, not years.
- Low annual tax fixed at \$300.00 USD for L.L.C.'s – **payable 1st June every year.**

⁴ <https://www.census.gov/quickfacts/table/PST045215/10>

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Documents Needed

- Scanned copy of Passport or Primary Government Identification
- Scanned copy of Secondary Identification (drivers-license or other government issued identification, preferably showing your address)
- Scanned copies of 2 different recent bills / invoice showing your address (less than 3 months old) – i.e. electricity bill, phone bill, bank statement, utility bill etc.

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Incorporation Procedure

1. We check if your desired company name is available

Some words and phrases cannot be used. These include: bank, trust & incorporated. You also can't use words that could mislead people about a company's activities

As an LLC your company name must end in LLC

i.e. PRESTIGE CORPORATE SERVICES LLC **is acceptable**
PRESTIGE BANKING CORPORATE SERVICES INCORPORATED LLC **is not acceptable**

2. Pay your fee directly to the Council's agent.
3. Sign the form that the Council's agent will return to you.
4. The agent will submit all of the forms with the Delaware Division of Corporations.

Please note that the current time for processing by the Delaware Division of Corporations is between 10 and 21 working days (plus 2-3 days time for postage of the documents to the Agent). You will receive notification of successful incorporation within 24 hours of the Delaware Division of Corporations sending the Certificate to the address of the Registered Agent.

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US Office & Mail Forwarding Address

A legal company address solidifies your local presence and provides an extra layer of trust for customers or clients while also opening new avenues for expansion into that market in the future. You can choose to have a virtual office address in Las Vegas.

Reasons for needing a US Office & Mail Forwarding Address:

- To receive mail and/or parcels for your US Company.
- If you are intending to sell from your US company to online then most ecommerce sites (Amazon and eBay) either encourage or require the you to provide a local US address for return and exchange purposes.
- A US business address will help you to present a professional image to clients worldwide and help your business to be perceived as being bigger than it actually is - which helps open doors to dealing with larger companies.
- **As a requirement for bank account opening purposes.**

If you are not planning on opening a physical office in the US immediately then a virtual address is the next best thing.

What is included:

- 1 years street address in any major city in the USA.
- Get your mail even if you travel constantly. Never get tied down by your mailbox again.
- Receive mail and packages from all couriers such as FedEx and UPS. (This option is not available with PO Boxes).
- Online mail management – including envelope scanning within 24 hours of receipt.
- Mail or parcels are forwarded to you via USPS, DHL and FedEx at competitive rates with a service charge of \$2 per item.

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US Phone & Fax Number

You will be assigned a 1 x local US phone number and 1 x local US fax number in any city / state required by you.

These phone numbers are pre-paid for 12 months.

You can renew these for an additional 12 months for a cost of only \$12 per year.

Access to these numbers can be managed through an online web interface.

The cost to receive and make faxes and calls depends on the destination of the call. Please see the list of long distance calling / call diversion charges at the bank of this document.

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Process Timeline

Following is the process timeline after your payment and all documents are received.

Name Check

- Check on the availability of your proposed company name.

Same day

Company Incorporation

- Includes preparation of all documents on your behalf.
- You receive Certificate of Formation / Incorporation, digital copies of documents & digital corporate seal

10-14 working days⁵

US Registered Agent Setup

Concurrent with Company Incorporation

US Local Phone & Fax Number

- You receive local US phone number and Fax number configured per your specifications.

Concurrent with Company Incorporation

US Virtual Office / Mail Forwarding Address Setup

- Includes 1st year of service for the office address and your mail forwarding address
- You will need to sign an authority and have it notarized in your own country and sent back to the postal authorities in the USA to authorize the virtual office service to accept mail on your behalf.

Concurrent with Company Incorporation

EIN (Company Tax Number)

Incorporation)

- Requires already completed incorporation, US mailing address, phone and fax number already set up

7-21 working days⁶ (Non-Concurrent to

Bank Account Opening

2 – 7 days⁷ (After EIN)

Please note: all times are estimates based on current processing times with various government agencies.

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⁵ Actual time can vary and depends on the Delaware Division of Corporations for processing. This is outside of our control.

⁶ Unless you already have an existing valid US Taxpayer Identification Number (SSN, ITIN, EIN) then these applications are made by us via fax to the IRS. This requires a 14-21 day turn-around time for your EIN to be processed and approved. <https://www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein>

⁷ This procedure is subject to the specific requirements of the bank and may vary depending on your industry sector, nationality and the information that you have provided to the bank with respect to your business plans. Times may vary accordingly. You will be in touch with the bank directly to complete the necessary steps.

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Frequently Asked Questions

If I am not a citizen of resident of the US do I need to pay income tax?

A non-resident alien usually is subject to US income tax only on US income from US sources⁸, meaning that income **from other countries** will not be taxed by the US.

Federal Taxes: US-Sourced income will be taxed at 30%. Non-US-Sourced income is tax-free.

State Taxes: Delaware LLCs are required to pay a flat annual tax of \$300 to the state.⁹ Taxes for these entities are due on or before June 1st of each year. Penalty for non-payment or late payment is \$200.00. Interest accrues on the tax and penalty at the rate of 1.5% per month.

Can you guarantee our new company can open a bank account?

In most cases bank accounts can be opened in a relatively straight-forward manner that we will take you through step-by-step. That said, banks in the USA are required by Federal law to ensure that they are able to form a reasonable belief that they know the true identity of each customer applying to open an account.

We generally utilize two main banks. Both are well known, FDIC insured, entities. **We have a 97% success rate in opening bank accounts without you having to be present in person at the bank¹⁰.**

Please note: The Council is not the provider of the services mentioned in this document and is not liable for any changes / amendments or alterations to any of the products, services described herein – this includes any changes of feature or ongoing pricing of any specific product or service.

⁸ Publication 519 - U.S. Tax Guide for Aliens - <https://www.irs.gov/pub/irs-pdf/p519.pdf>

⁹ <http://www.nolo.com/legal-encyclopedia/how-llcs-are-taxed-29675.html>

¹⁰ If you are residing in and/or have a passport from Iran, Iraq, Afghanistan, North Korea, Sudan, Burma, Liberia, Zimbabwe or if your name appears on the OFAC list of blocked persons or companies then opening a bank account will be extremely slow and difficult - if not outright impossible.