



ocraworldwide™
EXCELLENCE IN GLOBAL CORPORATE SERVICES

ABOUT OFFSHORE THE REASONS AND BENEFITS

ABOUT OFFSHORE: THE REASONS & BENEFITS

Introduction

As terms the words offshore business and offshore company have no precise legal, tax or general business meaning – the word offshore often means nothing more than anywhere other than the place of physical location of the person using the word (i.e. overseas). We use the words offshore business and offshore company as terms, of definition in connection with matters such as the structuring of international business and family wealth management or tax planning.

The motivations for individuals and corporations to utilise offshore planning and offshore companies, trusts and foundations include the desire to:

- Reduce tax
- Protect assets
- Manage risk
- Maintain privacy
- Avoid bureaucracy
- Reduce costs
- Enhance assets

More broadly, the benefits of going offshore and utilising offshore companies, trusts, partnerships and foundations for tax planning and offshore business include:

- Free remittance of profits and capital
- Access to top-rated debt history jurisdictions
- Access to tax treaties
- Security of property rights
- Accessing low cost areas
- Banking privacy
- Availability of offshore experts
- Access to foreign insurance and reinsurance
- Enhanced privacy



- Customs and duty exemptions
- Currency convertibility
- Government cooperation
- Fair treatment
- Territorial taxation on foreign income
- Fewer restrictions
- Sanctity of contracts
- Foreign investment inducements
- Tested legal systems
- Higher yields and returns
- The availability of sophisticated banking facilities
- Reduced taxation
- The search for political stability

About Offshore Companies

The principal uses of offshore companies are:

- Trading
- Investing
- Holding
- Financing
- Professional services or consultancy
- Patent, royalty and copyright holding
- Ship, yacht and aircraft management and planning
- Personal and corporate tax planning

Typically, our clients utilise the following types of offshore companies to structure international business and for tax planning:

- Very low or zero tax offshore companies incorporated in jurisdictions often described as tax haven islands, such as the differing types of offshore company that can be formed in offshore company formation centres such as the BVI, Belize or the Seychelles.



- Companies incorporated in jurisdictions which offer both offshore companies and onshore companies and which may benefit from favourable tax regulation and / or special offshore company regimes. For example:

Mauritius has two types of company that are used for offshore business and international tax planning. The Mauritius GBCII Offshore Company pays zero tax and is effectively a tax haven company, similar in many respects to a BVI Company, whilst the Mauritius GBCI Company is tax resident and typically utilised for double tax treaty and international tax planning.

Hong Kong, although not typically regarded as a tax haven, has a favourable tax regime which effectively means that correctly structured, managed and administered Hong Kong Companies can be utilised for undertaking offshore business and international business without paying tax in Hong Kong provided that any profits arising are not made in Hong Kong. This type of tax regulation is known as “territorial taxation”.

- Limited Liability Companies (LLC) and Limited Liability Partnership.

(LLP) are used for offshore business, international business and tax planning because they have the advantage of limited liability but the flow-through characteristics of a partnership for tax purposes. By this, we mean that profits are divided among the members, in proportion to their respective holdings, and are taxed in their hands. In some circumstances, if all the members or partners are non tax resident in the domicile of the LLC or LLP company and no business is undertaken in that country, neither the LLC or LLP company nor the members or partners will be subject to tax in the company’s country of establishment. Such companies are said to be “fiscally transparent” and examples include US LLCs, the Isle of Man LLC and the UK LLP.

Companies incorporated in the many onshore countries which have tax regimes are by statute tax advantageous for specific international purposes. The world of offshore is more complex than the black-and-white tax world inhabited by the media; offshore business consists not only of tax havens but also of onshore high tax countries competing



fiercely to attract international companies and individuals with all manner of tax planning regulations and opportunities. These tax advantageous regulations are used for a wide variety of tax planning business, such as:

- Double tax treaty planning relating to dividends, interest and royalty payments
- The establishment of holding, international headquarter treasury and finance operations
- Specialist business, for example, leasing
- Personal and family wealth management and tax planning

In fact, almost all countries offer tax regulations of one kind or another to encourage inward investment.

International tax advisers have long been aware of the opportunities which exist for improving overall tax efficiency by using the special low tax regimes offered by high tax countries seeking to encourage international business. However, successful implementation of such structures is dependent on a wide variety of issues, often relating to matters such as anti-avoidance provisions, double tax avoidance, controlled foreign company and management and control tests and provisions, transfer pricing, thin capitalisation, participation exemptions, capital gains tax and a myriad of other ever-changing tax regulation. More recently, the weapons contained in the armoury of the tax collectors have been supplemented by exchange of information treaties and provisions.

So today the offshore world includes the expert implementation of specific tax advantageous structures domiciled in high tax onshore countries as diverse as the UK, Portugal, Singapore, Greece, Belgium, Austria, Spain, Switzerland, Luxembourg and the Netherlands.



Quick Answers about Offshore Companies

What is an offshore company?

An offshore company or corporation is the same as any other company in that it is an entity recognised by law as a separate “entity” with limited liability. As such the company has the option to sell shares, the right to sue and be sued, and has perpetual existence.

An IBC (International Business Company) is the most popular type of offshore corporation for asset protection and privacy purposes. An IBC is usually a tax-exempt corporation that can do business all over the world except in the country where it has been incorporated. Popular IBC jurisdictions include Anguilla, The British Virgin Islands, Belize and the Seychelles.

Apart from the traditional offshore centres, many ‘onshore’ jurisdictions have corporate structures that are attractive to international users. UK LLP, US LLC, UK Limited Companies, Hong Kong Limited Companies, Singapore, Cyprus and Malta Companies and LLPs and certain EU companies are all examples of domestic structures of particular value for international tax planning purposes.

What makes an offshore company distinct from a domestic company?

Unlike companies incorporated in an individual’s or a corporation’s home country, an offshore company incorporated in an offshore centre may offer the owner:

- Low or zero taxation in the country where the company is incorporated.
- A greater degree of privacy.
- Less bureaucracy.
- Reduced compliance costs.

These features make offshore companies ideal structures for safeguarding an individual’s privacy, protecting personal wealth, minimising tax and maximising a corporation’s profit.



Why do tax havens and offshore financial centres offer low or zero tax?

The governments of many countries actively seek international investment and trade to stimulate their own economies. The offshore industry has developed as a result of this straightforward objective.

Many of these countries are known as tax havens. Traditionally, tax havens are free from foreign exchange controls and have introduced specific legislation and corporate structures, designed exclusively for international business and foreign investment. An International Business Company, or an IBC, is the most widely used corporate vehicle in this regard with the widest variety of applications.

What are shelf companies?

Shelf companies are ready-made, never-used corporations that have been established to meet a client's immediate needs. We maintain a list of over 200 well-named companies available to transact business immediately.

How long does it take to set up an offshore company and bank account?

International Business Companies can usually be set up within two working days on condition of receipt of all the required information from clients.

Providing we have all the required documentation, we can open a bank account in certain jurisdictions within 48 hours. Bank accounts in Europe may take as long as three weeks. However, if an account in Europe is required urgently, this can be achieved at an additional cost.

What are the costs?

Company formation fees, recurring annual fees, and administration costs vary from jurisdiction to jurisdiction.

When you choose OCRA Worldwide, you are tapping into a global network that has negotiated very favourable terms with its suppliers to provide economies of scale that are in turn passed onto our clients. As a result, the level of our fees, particularly in comparison with other leading names in the industry are very competitive.



OCRA Worldwide has a transparent fee policy. It has always been the Group's commitment to agree fees with clients prior to the acceptance of any assignment and all fees are confirmed by way of quotation or contract.

To simplify matters OCRA Worldwide's Fees are divided into four components:

Set up Fees – Fees for establishing companies and or trusts

Annual Fees – Provision of corporate statutory services, Professional Directors and officers.

Government Fees – Filing fees upon incorporation, annual taxes, etc.

Management Fees – Fees agreed with you prior to undertaking any assignment. These fees can be based on time or at a fixed monthly/annual rate.

Where should I incorporate?

Most offshore jurisdictions are free from foreign exchange controls and have introduced company legislation to cater for a diverse range of international business requirements. It is important to select a jurisdiction that is well-suited to your specific corporate and personal needs.

Is my privacy protected?

Whilst we respect and honour the confidentiality of our corporate clients, we are committed to carry out a thorough due diligence of both our clients' identities and the nature of their business. Our clients must disclose to us both the reason for setting up an offshore entity and the type of business the offshore entity is likely to conduct. We are obliged to monitor and ensure that the activities of the offshore entity do not breach any international regulations, and our clients are required to execute management agreements with OCRA Worldwide. This formal approach to due diligence benefits all parties.

Who will maintain the offshore company?

We have offices in most major financial centres and can undertake a client's company administration in accordance with corporate requirements. In addition, we can arrange accounting, audit and legal services, provide local management and assist clients generally with all administrative and operational work.



How do I proceed?

Please contact a consultant at an office most suitable and convenient to you and the appropriate advice will be provided.

About Offshore Trusts

Introduction

A fiduciary structure can help not only preserve your wealth but can also offer you greater flexibility over the management and distribution of your assets. The most common type of fiduciary structure is a trust, a binding arrangement whereby assets are transferred to a “trustee”. The Trustee is required to administer the trust assets for the benefit of specified beneficiaries strictly in accordance with the terms of the trust. Through OCRA Worldwide’s licensed Trust and Trustee companies clients are offered:

- A bespoke service regarding the Establishment of an offshore trust
- Trusteeship and related services
- Administration of the trust funds
- Trust accounting and maintenance of asset ledgers
- Reporting and filing as appropriate
- Guidance

Offshore Trusts Overview

An offshore trust is created when assets are transferred to a trustee. The trustee becomes the legal owner and is responsible for managing the assets and distributing them to the beneficiaries of the offshore trust (which could include the person or corporation which transferred the assets to the trustees) in accordance with the terms of the trust deed.

The terms on which the Trustees administer the trust assets are detailed in a trust deed and trust legislation to govern trusts has been enacted in many common law jurisdictions.



What assets can be held by an Offshore Trust?

- Shares and stocks in both quoted and unquoted companies.
- Investment portfolios
- Real and intellectual property.
- Bank deposits
- Life assurance policies issued on the life of the Settlor
- Most other types of asset

The Advantages of Offshore Trusts

- Private relationship, for example, in the Isle of Man offshore trust deeds are not publicly registered
- Wealth protection
- Tailored to specific family requirements
- Recognized in all common law jurisdictions
- Increasing recognition in important civil law jurisdictions
- An important tool in international income, capital gains and estate tax planning
- Used by corporations for employee benefit plans, retirement and stock option schemes, insurance plans and special financing arrangements

Offshore Trust Solutions for Individuals

A trust is the solution for individuals who:

- Want to preserve their wealth against uncertainty, political, economic or family
- Want to transfer wealth to their heirs in a tax-efficient manner. They want to plan their estate to maximize the benefits of their wealth for family members and others
- Want to transfer wealth to their heirs in accordance with their wishes and not in accordance with the laws of the country where they live
- Want to consolidate the ownership of assets owned throughout the world in one location
- Want centralized reporting
- Want to minimize or eliminate estate taxes arising on the death of the Settlor



Why establish a trust offshore?

When a trust is established in a suitable offshore jurisdiction, provided that residents of the offshore jurisdiction are excluded from receiving benefit from the offshore trust, then there will be no local taxes applicable to the assets and income of the trust.

Different Types of Offshore Trusts

Trusts have their origins in medieval England when they were associated with knights making provision for their families when they went away to fight in the Crusades.

An offshore trust enables an individual (the "Settlor") to donate assets to a neutral third party or guardian (the "trustee"), who holds the assets and administers them for the benefit of other individuals nominated by the Settlor and in many cases the Settlor himself (the "beneficiaries"). An offshore trust arrangement is normally recorded in a written document (the "trust deed").

The effect of creating an offshore trust is to shift the burden of property ownership onto a trustee, while retaining the benefit of the property for the beneficiaries.

An estate created under the will of a deceased person is a trust. A trust created by a person prior to death is known as an inter vivo trust. Most trusts created offshore are formed as inter vivo trusts.

As trusts are a creation of English common law, the most suitable location for an offshore trust is a jurisdiction which has English common law and equity as the foundation of its legal system.

An offshore trust may be established as either revocable or irrevocable. A revocable trust may be terminated or varied by the Settlor either at the end of a specified period or at any time. An irrevocable trust cannot be terminated by the Settlor nor can the Settlor vary the terms of the trust. Whether a trust is established as revocable or irrevocable will depend upon the objectives and circumstances of the Settlor.



Both revocable and irrevocable offshore trusts may be either discretionary or fixed interest trusts. Under a fixed interest trust the interests of the beneficiaries are specifically fixed in the terms of the trust deed and the trustee has no power to vary those interests. A discretionary trust on the other hand gives the trustee the power to determine the allocation of income and capital amongst the members of the beneficiary class and to vary the membership of the beneficiary class. The flexibility provided by the discretionary form of trust is often necessary to satisfy tax planning objectives.

In the case of a discretionary trust, the trustees will have wide discretionary powers (although they may sometimes be constrained by the requirement for the consent of a third party or the protector), the trust deed will often be supplemented by an informal and confidential letter from the Settlor or grantor to the trustees setting out his wishes on such matters as the amount and timing of distributions, investments, employment of advisers, those who should be regarded as primary beneficiaries and so forth. While this letter is non-binding and intended for the trustees' guidance only, the trustees will generally respect the Settlor or grantor's wishes and strive to act in accordance with them.

Most offshore trusts fall into four broad categories:

Private: including discretionary, accumulation and maintenance, life interest and fixed interest trusts

Corporate: including pension and employee benefit trusts

Charitable: solely for the benefit of charitable organizations

Purpose: trusts with no beneficiaries that are established for purposes that are certain, reasonable and possible.

Modern offshore trust deeds can be tailored to meet your specific requirements. Generally they are worded in the widest possible terms to allow a trustee scope to respond to changing circumstances and requirements.



Discretionary Trusts

The most flexible form of offshore trust and used in wealth protection and tax planning. A discretionary offshore trust will normally allow the Trustees to appoint additional beneficiaries or to remove existing beneficiaries, and will usually also allow the Trustees to distribute the income and capital of the trust to the beneficiaries in varying amounts and at various times. When a Settlor establishes a discretionary offshore trust he will generally provide the Trustees with a Letter of Wishes, which provides guidance to the Trustees on how he would like them to administer the trust and manage the assets.

Interest in Possession Trusts

These differ from discretionary trusts in that the beneficiaries will be entitled to receive income and capital from the trust as detailed in the trust deed.

Accumulation and Maintenance Trusts

Almost always established for the benefit of children. The offshore trust deed will specify that the trust fund be used for the education and maintenance of the children up to a certain age with surplus income being accumulated by the offshore trust. Once a predetermined age has been reached the beneficiaries will be entitled to receive income and capital from the offshore trust as detailed in the trust deed.

Choosing OCRA Worldwide as your Offshore Trustee

Once you have decided to set up an offshore trust, your first and most important decision is the choice of trustee and you will want a trustee that gives you complete peace-of-mind.

The benefits of selecting OCRA Worldwide as the trustee include:

Independence - OCRA Worldwide has no conflicts of interest. Our trustees always act in the best interests of the beneficiaries of the offshore trust. We do not compromise that position. Thus, independence from investment, legal or accounting advisors is critical and should be an absolute requirement by persons seeking to establish a trust.



Service - OCRA Worldwide looks to the long term, not the short term. OCRA Worldwide understands that its success is based on the maintenance of long-term personal relationships and trust.

Expertise - The provision of offshore trust services is not a purely mechanical and administrative role. Judgement and expertise are required. Trust law is a complex and demanding area of the law. OCRA Worldwide has the requisite legal and accounting infrastructure to maintain a high level of professional expertise.

Size and substance - OCRA Worldwide has been providing trustee services for over 25 years. We are a professionally managed company. Compliance, corporate governance and the pursuit of quality are fundamental to everything we do. Our approach to business and client matters is prudent.

Value - Many believe that the costs of establishing and administering an offshore trust are prohibitive. It is true that many of the major banks and other financial institutions make sizeable charges for setting up an offshore trust and receive a percentage of the trust assets in annual administration fees. Our level of fees is generally much more reasonable and provides access to trusts to those with relatively modest assets. As all cases are different, fees will be different, but they are probably a lot less than you thought.

Jurisdiction - OCRA Worldwide's has two dedicated offshore trust companies: OCRA Trustees (Isle of Man) Limited and OCRA Trustees (Seychelles) Limited. Generally, OCRA Trustees (Isle of Man) Limited acts as trustee for trusts having Isle of Man proper law whilst OCRA Trustees (Seychelles) Limited acts as trustees where the proper law is that of the Seychelles.

About Offshore Foundations

Offshore Foundation Overview

Foundations were introduced approximately 100 years ago in Western Europe. Their use for estate and asset planning started in Liechtenstein in the early part of the 20th



Century. Foundations have since become popular across the globe, especially in civil law jurisdictions where the concept of 'Anglo Saxon Trusts' is less well known. Foundations can be established in many countries including Panama, The Netherlands Antilles and the Bahamas – who introduced Foundation legislation in 2004 to make it a leading common law jurisdiction contender for the domicile of Foundations.

A Foundation is a separate legal entity, without members or shareholders, and is generally established to reflect the wishes of the founder, who may be an individual or a corporate entity. These wishes are contained within the Foundation's Deed of Incorporation, Articles of Association and Bye Laws. Foundations can be established for a fixed or indefinite period of time and can be used for charitable, commercial or for family purposes.

A Foundation Council or Governing Body including a Protector, are generally appointed by the Founder to ensure that the affairs of the Foundation are carried out strictly in accordance with the Founder's requirements.

Foundations are a very important component when structuring the ownership of family and corporate assets and are particularly important where Trusts are not generally recognised. They are in many respects similar to corporate entities but afford the protection and continuity derived from the use of Trusts.

Practical Uses of Offshore Foundations

- Private relationship: For example, the Founder's wishes are not publicly registered
- Wealth protection
- Recognised in all common and civil law jurisdictions
- Holding assets which can be passed on from one generation to the next (estate planning)
- Inheritance tax planning
- Avoidance of forced heirship rules
- Maintenance of corporate control
- Separation of voting and economic benefits
- Employee share option schemes



- Pension funds
- Art collections
- Charitable purposes
- An important tool in international income, capital gains and estate tax planning
- Used by corporations for employee benefit plans, retirement and stock option schemes, insurance plans and special financing arrangements

Different Types of Foundations

The Private Foundation has long been favored by wealthy individuals and families as a vehicle for accomplishing their wealth and succession management strategies, corporate control and their charitable objectives.

Broadly speaking they fall into the following categories:

Private: For succession Management

Corporate: For continuity of control, pension and employee benefit schemes

Charitable: For the benefit of charitable organizations

Special Purpose: Donations serving a specific philanthropic purpose

Whilst the above types offer specific objectives, Foundations can be established to embrace all purposes and objectives. The purposes are contained within the Foundation Charter and By Laws.

What assets can be held by an Offshore Foundation?

- Shares and stocks in both quoted and private companies
- Investment portfolios
- Real and intellectual property
- Bank deposits
- Life assurance policies
- Most other types of asset



Offshore Foundations for Individuals

A Foundation is the solution for individuals who:

- Want to preserve their wealth against uncertainty; either political, economic or family related
- Want to transfer wealth to their heirs in a tax-efficient manner. They want to plan their estate to maximize the benefits of their wealth for family members and others
- Want to transfer wealth to their heirs in accordance with their wishes and not in accordance with the laws of the country where they live
- Want to consolidate the ownership of assets owned throughout the world in one location
- Want centralized reporting
- Want to minimize or eliminate estate taxes arising on the death of the Founder

Why establish a Foundation offshore?

When a Foundation is established in a suitable offshore jurisdiction, provided that residents of the offshore jurisdiction are excluded from receiving benefit from the Foundation, then there will be no local taxes applicable to the assets and income of the Foundation.

How to set up an Offshore Foundation

The process of establishing a Foundation is relatively straight forward and is not dissimilar to that of setting up a Company. There are three basic components that make up a Foundation:

- **Founder** (the person who gifts assets to the Foundation)
- **Foundation Council** (the officers who manage the Foundation)
- **Beneficiaries** (the individuals or institutions who benefit from the Foundation assets)

The Founder established the Foundation for a specific purpose. The purposes are contained within the Foundation Charter and articles. The Founder then appoints a Foundation Council too oversee and manage the Foundations assets in accordance with his/her wishes. From time to time the Foundation Council as directed would distribute the assets, or a proportion thereof to the beneficiaries.



Should you wish to discuss the establishment of a Foundation in more detail please contact our Isle of Man, London or Swiss offices who will be pleased to assist.

About Offshore Banking

Introduction to Offshore Banking

For over 25 years OCRA Worldwide has been assisting clients to establish and administer offshore and international bank accounts. Most importantly, OCRA Worldwide is not an offshore bank, we are an international and offshore corporate and trust services provider. However, a significant percentage of the companies and trusts we administer establish accounts with international and offshore banks rather than domestic banks because often their characteristics include:-

- Familiarity with offshore and international business
- Worldwide investment and business perspective
- Tax-efficiency
- Confidentiality
- Lack of foreign exchange controls
- Access to special investment opportunities

The objective of this section is to advise potential clients of the “basics” and to provide answers to the more common questions relating to offshore banks and establishing and administering an offshore bank account.

Selecting an Offshore Bank

OCRA Worldwide has developed useful expertise in identifying and working with suitable offshore banks and international banks. By the very nature of our business we are exposed to a wide range of offshore banks and international banking activities and we aim to learn from these experiences.



Safety - Will my money be safe with an offshore bank?

The factors to consider include:

- The political and economic stability of the jurisdiction(s) in which a bank is headquartered, located and regulated.
- Reputation and substance - Standard & Poor's, Moody's and Fitch rating reports are useful.
- Quality of regulation and access to deposit and investor protection and insurance schemes.
- Parent company or similarly guarantees.

The Business Focus of the Bank

In general the banks we work with seek to provide services to some or all of these types of clients:

- Private banking clients.
- Expatriates.
- International commercial activities, such as trading.

Private Banking Clients

Although private banking is not a simple business, there is a very simple business model to keep in mind: "keeping rich people happy". The definition of "private banking" varies from bank to bank but is generally taken to mean investment management offered on a personalized basis by a bank to an individual with disposable wealth of more than \$100,000 (although some banks do not offer private banking services to clients with disposable wealth less than US\$ 500,000 or US\$ 1 million). Private banking is obviously not synonymous with "offshore", but the costs of a personalized relationship begin to be worthwhile at the \$100,000 + level in the light of the superior gains to be realized from offshore investment. Private bankers probably prefer themselves to be approached and considered as objective financial advisers rather than as an investment-provider, and consequently private banks may not be the most effective choice for a reasonably sophisticated investor who wants to play an active role in the management of his investments.



Expatriates

Numerous offshore banks have sought to specialize in the provision of banking services to expatriates as they perceive such business as being relatively risk free, easy to “systemise” and profitable. In essence, expatriate services encompass managing accounts for people resident outside their home countries who may or may not be employed. The focus of expatriate banking providers is online banking, call-centres, relatively low levels of expertise and the provision of “packaged” investment and protection products, such as life insurance. Whilst the service offered should be professional and “smooth”, the relationship between an expatriate client and his expatriate banking provider could not be characterized as personal or in any way similar to the relationship between a client and a top-flight private bank.

International Commercial Activities

Many of our clients utilise the companies we administer for commercial purposes, such as trading. In such circumstances an offshore bank that specializes in private banking or expatriates will be unsuitable. Our commercial clients seek similar services to an onshore commercial bank and will require access to some or all of the following services:

- Cash management.
- Foreign exchange and treasury services.
- International trade - letters of credit, documentary collections, cross-border guarantees and global banking services at locations around the world.
- Risk management: foreign exchange, interest rate, equity and energy price risk management tools.
- Financing.
- Payment, receivables and payroll solutions.
- Selling solutions: point of sale, e-commerce and merchant programmes.
- Speciality solutions, such as dealer, shareowner and fund services.
- Expertise in matters such as energy, aviation, shipping or real estate.



How we match clients to banks

We know that once we understand our clients and their business objectives we will be able to assist our clients in identifying a suitable bank to work with. Some of the aspects we consider are:

- The nationality, residence and domicile of our client. Banks often have policies that deny, restrict or place conditions upon certain classes of clients from having access to their services, and these policies change from time-to-time.
- The proposed activities of the client company or trust that we administer.
- Opening deposits and minimum balance requirements - these can be surprisingly large.
- Bank charges and interest rates.
- The availability or otherwise of online bank statements and reports.

We have considerable expertise in assisting clients to establish relationships with reputable offshore banking institutions as well as a wide range of international banks.

Which banks do we work with?

Over the last 25 years we've developed close working relationships with many international banks. In selecting a bank, clients should consider service, credit worthiness, reliability and competence.

All of these banks provide the high-quality service that our clients expect:

- Alpha Bank - Cyprus
- Allied Irish Bank Corporation Plc - Isle of Man
- Allied Irish Bank Corporation - Austria
- Bank of Scotland - Jersey
- Bank of Scotland - Isle of Man
- Bank Leumi - London
- Barclays Bank Plc - British Virgin Islands
- Barclays Bank Plc - Cayman Islands



- Barclays Bank Plc - Isle of Man
- Barclays Bank Plc - London
- Barclays Bank Plc - Mauritius
- Barclays Bank Plc - Seychelles
- Credit Agricole Indosuez - London
- Credit Suisse - Switzerland
- Dexia Banque International a Luxembourg SA - Luxembourg
- Habib Bank - Isle of Man
- Lloyds TSB Bank Plc - Isle of Man
- Hellenic Bank - Cyprus
- HSBC - Isle of Man
- HSBC - Hong Kong
- HSBC - London
- HSBC - Malta
- Merita Bank - Finland
- Nationwide International Limited
- Prudential-Bache International limited - Monaco
- RBSI - Isle of Man
- RZB Raiffesisen Zentralbank Osterrich AG - Austria
- Standard Bank – Jersey
- Standard Bank – London
- Standard Bank – Hong Kong
- Standard Bank - Isle of Man
- Union Bank of Switzerland - Switzerland

Offshore Bank Account Opening Procedures and Maintenance

All the offshore and international banks we work with regard the prevention of money laundering and terrorist financing to be of the utmost importance, so do we.

OCRA Worldwide does not seek to work with offshore banks which have low standards of compliance as, apart from our own desire to only work with reputable partners, the culture and business ethos of such offshore banks must not be flawed.



Consequently the offshore and international banks we work with will seek to:

- obtain evidence of our clients' identities
- develop a documented understanding of our client's banking and business activities
- identify the source of funds paid into accounts to ensure that such funds are not derived from criminal activity and to document evidence relating to source of funds
- monitor banking transactions to identify and forestall money laundering
- risk assess each and every client.

This means that offshore account opening procedures can be onerous and time consuming.

Typically offshore banks will require some or all of the following information to open and operate an offshore account for a simple offshore company which is owned by individuals (rather than a corporation, trust or other form of entity):

- Certified proof of identity of owners, directors, account signatories and all parties connected with the offshore company. Acceptable proof of identity would normally include a passport copy certified in a prescribed manner by an officer of the bank, a notary or an authorised OCRA Worldwide Manager.
- Proof of residence of all parties associated with the offshore company. Acceptable proof of residence would typically include an original bank statement or credit card statement.
- The provision of a Curriculum Vitae.
- The provision of bank or professional references.
- Information relating to the expected annual income or asset base of the offshore company, the number of transactions per month, the geographic spread of the proposed business and the amount of money that will be left on deposit at the bank.
- A detailed description of the proposed business activity, often supported by documentation such as brochures, copies of contracts, audited accounts, business plans and details of trading partners or investments.
- Documented evidence relating to source of funds, e.g. if a million dollars is to be paid into an offshore company's account, the bank will seek to obtain documentary evidence relating to the source of such funds in the form of a bank statement, contract or similar.



- An initial meeting with potential bankers possibly with an OCRA Worldwide Manager. Some banks require clients to visit them on an annual basis.
- In addition, enhanced due diligence will be undertaken if the affairs of the offshore company are complex or if it, or any party connected to it, is associated with what banks or regulators perceive to be high-risk. For example, stringent enhanced due diligence is typically applied to business emanating from countries which were former members of COMECON, countries classified as “non co-operative” by the Financial Action Task Force, or countries associated with the production and distribution of illegal drugs or infamous for corruption.

Offshore Bank Account Maintenance

Once an offshore account is opened it is important to keep the offshore bank briefed and current with the affairs of a client company, Trust or Foundation. Banks do not react well to unexplained account activity, so if a company’s trading pattern is set to change or a large or unusual transaction is about to occur it always wise to pre-warn the bank and provide documentation such that the bank can understand and maintain evidence of the wholesomeness and reason for the proposed transaction.

Maintaining an efficient relationship with a bank is a two-way process.

Why OCRA Worldwide controls its Client Company and Trust Bank Accounts

When OCRA Worldwide provides officers to a client company, Trustee services or Foundation Council Members, it must control any underlying bank accounts. Why?

- There are various legislative and regulatory requirements and precedents relating to the duties of Directors, Trustees and Council Members relating to their obligations to exercise effective management and control over a Company, Trust or Foundation’s assets and affairs. Put more simply, would any reasonable business person, aware of the duties and liabilities of Directors, Trustees or Council Members be prepared to act as a director of a Company or act as a Trustee or Council Member if they did not control the bank account?



- If our clients were to exercise control over bank accounts it could be perceived that they are controlling the affairs of the Company, Trust or Foundation even though they may not be Officers, Trustees or Council Members. Statutory authorities in high tax and other areas often seek to apply “the management and control test” to assess whether the profits/income earned by an entity controlled in a low tax area should be taxed as if they were resident in the high tax area. There is an inherent possibility that if we allowed clients to control bank accounts, then a regulatory authority may deem that our clients are effectively managing and controlling the Company, Trust or Foundation in their countries of residence or more radically may seek to pierce the corporate veil or judge a Trust or Foundation to be a “sham”.

Credit Card and Debit Card Services

Most banks offer a comprehensive range of credit and debit card services for either personal or corporate accounts. In many cases, the currency of the card is dependent upon the country in which the bank operates. Many banks have introduced US Dollar cards to cater for the international market.

In most cases, clients who require credit cards may select their own credit limit by establishing a blocked security deposit, equivalent to 2-4 times the credit limit required. OCRA Worldwide can assist in the application and the subsequent statement administration.

Helping clients establish an Offshore Bank Account

Most importantly OCRA Worldwide has specialist expertise and knowledge of the ever varying account opening and maintenance requirements of a wide variety of reputable international and offshore banks.

Potential clients must understand that opening an offshore bank account is not a simple matter and can be time consuming. Some offshore and international banks may take longer than one month to open an offshore bank account from receipt of a completed bank account opening package. Consequently potential clients are encouraged to ensure that they provide us with a complete picture of themselves and their intended business activity.



Conclusion

OCRA Worldwide is an innovative and creative association of multi-jurisdictional experts spanning all corners of the world. Our collective aim is to provide users of offshore services with robust and workable solutions which stand the test of time and provide the maximum benefits.

We look forward to being of service to you and invite your enquiries.



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