

Bermuda

General	
Type of Entity	Exempt
Type of Law	Common
Shelf company availability	No
Our time to establish a new company	2-3 weeks
Minimum Annual Tax/Licence Fee	US\$ 1,870
Corporate Taxation	Nil
Double taxation treaty access	No
Language of Name	Latin Alphabet
Share Capital or Equivalent	
Minimum paid up	US\$ 1
Usual Authorised Capital	US\$ 12,000
Permitted currencies	Any
Directors	
Minimum Number	Two (there must be a quorum in Bermuda)
Local Requirement	Yes
Location of meetings	Anywhere
Publicly accessible records	No
Shareholders	
Minimum number	One
Publicly accessible records	Yes
Location of meetings	Anywhere
Company Secretary	
Required	Yes
Local or qualified	Yes
Accounts	
Submit Accounts	Yes
Annual Audit	Yes
Other	
Requirement to file annual return	No
Change in domicile permitted	Yes

GENERAL INFORMATION

Introduction

Bermuda consists of a group of over 150 small coral islands in the North Atlantic Ocean, and is not, as often believed, part of the Caribbean or West Indies. A series of bridges connect the main islands which cover a total area of 52km sq.

Population

The population of Bermuda has grown from 37,000 in the 1950's to approximately 66,000 in 2006, made up primarily of people of European and African origin.

Political Structure

Bermuda is a dependent territory of the United Kingdom, with Queen Elizabeth II as Chief of State, who is represented by a Governor appointed by the British Government. Bermuda has an elected House of Assembly and an appointed Upper House (Senate).

Infrastructure and Economy

Bermuda enjoys one of the highest per capital incomes in the world. This is due to it having successfully exploited its location by providing luxury tourist facilities and financial services.

Currency

Bermudan dollar which has parity against the US dollar

Exchange Control

There are no capital or exchange controls applying to Exempt Companies.

Type of Law

Common Law based on the English system.

Principal Corporate Legislation

The Companies Act 1981, as amended 2006.

COMPANY INFORMATION

Type of Company for International Trade and Investment

Exempt Companies. All other Companies incorporated in Bermuda must be at least 60% owned by Bermuda residents.

Procedure to Incorporate

The formation procedure of a Bermuda Company is complex. Initially an advertisement has to be placed in a local newspaper announcing the intention to incorporate. The name of the proposed company, together with the objects clauses, has to be disclosed in the advertisement, confirming also whether the company requires to be exempt or domestic. An application for consent to incorporate is made to the Bermuda Monetary Authority; this application should contain the following information:

- The name of the company.
- The proposed registered office address.
- The nature of intended business
- The names, addresses and nationalities of the proposed directors.
- The names, addresses and nationalities of the proposed shareholders and their interest in the proposed company.
- The Memorandum of Association detailing the share capital, classes of shares and whether the liability of the company's members will be limited or unlimited.
- Proposed bank account details.
- Bank character references relating to the proposed beneficial owners.
- The appropriate registry fees.

Restrictions on Trading

A Bermuda Exempt Company may not trade within Bermuda, and may not own real estate there. A Bermuda Exempt Company may not undertake the business of banking, insurance, assurance, reinsurance, fund management, collective investment schemes, the rendering of investment advice or any other activity, which may suggest an association with the banking and insurance industries. All of the aforementioned activities are prohibited unless licensed.



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Powers of Company

A company incorporated in Bermuda has all the powers of a natural person.

Language of Legislation and Corporate Documents

English.

Registered Office Required

Yes, must be maintained in Bermuda. The statutory books of the company must be kept at the registered office, and should be available for public inspection.

Shelf Companies Available

No.

Time to Incorporate

Two to three weeks

Name Restrictions

Names that are identical to or similar enough to create confusion with existing companies, or names that imply royal or government patronage. Names that in the opinion of the Registrar are considered undesirable, offensive, or obscene.

Language of Name

Can be in any language using the Latin alphabet. If a non-English language name is used, the Registrar may request a certified English translation to satisfy him that the name is not restricted.

Names Requiring Consent or a Licence

Bank, building society, savings, loans, trust, insurance, assurance, reinsurance, fund management, investment fund, fiduciary, broker or their foreign language equivalents.

Suffixes to Denote Limited Liability

Limited or Ltd.

Disclosure of Beneficial Ownership to Authorities

Yes, but very strict secrecy laws prevents the information from becoming public knowledge.

COMPLIANCE**Authorised Share Capital**

The usual authorised share capital of a Bermuda exempt company is US\$ 12,000; divided in to 12,000 common voting shares of US\$ 1, which is the maximum capital for the minimum capital duty payable on incorporation and annually thereafter. The minimum issued capital is US\$ 1.

Classes of Shares Permitted

Registered shares, preference shares, redeemable shares, and shares with or without voting rights.

Taxation

Bermuda currently has no corporate or income tax. Exempt Bermuda companies receive a certification of tax exemption and a Government assurance under the Exempt Undertakings Tax Protection Act 1966, confirming that in the event of Bermuda introducing a taxation system, exempt companies will be further exempted tax for a period not later than March 2016.

Double Taxation Agreements

Bermuda is not a party to any double tax agreements.

Licence Fees

The Government fee is based on the assessable capital of the company. It is payable on incorporation and in January each year. Where incorporation takes place after 31st August only half the fee is payable.



Scale

Assessable Capital (US\$)		Fee (BD\$)
12,000		1,870
12,001	120,000	3,820
120,001	1,200,000	5,890
1,200,001	12,000,000	7,850
12,000,001	100,000,000	9,815
100,000,001	500,000,000	17,530
500,000,001	Or more	29,220

Financial Statement Requirement

Although there is no statutory requirement to file accounts, there should be sufficient accounting records to enable the directors and shareholders to ascertain the financial position of the company. The accounting records should be kept at the registered office address. If they are kept outside Bermuda, copies of all accounting records should be available for inspection by the directors each quarter.

All Bermuda companies should appoint an auditor, except where the directors and shareholders have unanimously agreed not to appoint one.

Directors

The minimum number of directors is two, who must be natural persons. There must always be sufficient Bermuda resident directors to form a quorum in Bermuda. Non-Bermuda directors may be appointed. The directors must appoint a president and vice-president or chairman and deputy chairman as officers, who must also be a director of the company.

Company Secretary

A Bermuda company must appoint a resident company secretary, who must be a natural person.

Shareholders

The minimum number of shareholders is one.

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