

FACT SHEET

Liberian Corporate Registry
November 2010
Introduction

The **Republic of Liberia** is Africa's oldest republic with statutory law based on Anglo-American common law. Liberia, "land of the free", is a West African country founded in 1820. On July 26 1847, the free and independent Republic of Liberia was proclaimed.

In 2005, Ms. Ellen Johnson-Sirleaf, a Harvard educated former World Bank economist, was elected President of Liberia and became the first elected woman to lead an African nation. Under her administration, Liberia has re-established its leading role within the region and the Economic Community of West African States (ECOWAS).

The Liberian Registry was established in 1948 with the support of the US State Department. Today, more than 60 years after its creation, Liberia is a respected and professional provider of corporate and shipping registration services.

Liberia at a Glance

Political Status	Democratic Republic
Official Language	English
Legal System	Statutory law based on Anglo-American common law
Capital	Monrovia
Area	111,369 sq. km.
Population	3,441,790
Currency	Liberian Dollar – US Dollar

Liberian Entities – Key Features

Type of Company	Non-Resident
Type of Law	Common Law
Disclosure of Beneficial Owner	No
Migration of Domicile	Permitted
Corporate Taxation	Nil
Language of Name	Latin Alphabet

Corporate Requirements

Minimum Number of Shareholders	One
Minimum Number of Directors	One
Corporate Directors Permitted	Yes
Corporate Secretary Permitted	Yes
Usual Authorised Capital	USD50,000

Local Requirements

Registered Office/Agent	Yes
Local Company Secretary	No
Local Directors	No

Local Meetings	No
Government Register of Directors/Managers	Optional
Government Register of Shareholders/Members	Optional
Annual Requirements	
Annual Return	No
Submit Accounts	No
Recurring Government Costs	
Minimum Annual Tax/Licence Fee	USD150
Annual Return Filing Fee	None
Services	
<p>Totalserve can offer the following services in respect to the formation and administration of Liberian Non-Resident Entities:</p> <ul style="list-style-type: none"> • Name Check and Reservation • Formation of Corporations and other entities • Certificates of Incorporation/Registration • Certified Copies of Filed Documents • Certificates of Goodstanding • Liberian Acknowledgements • Payments • Copies of Invoices • Agent Statements 	
Liberian Legal Entities	
<p>Liberian corporate law is general modelled on US Corporate Law. Liberian legal entities are governed by the Liberian Associations Law (1997, as amended through 2002). Simultaneously, an Austrian-style Private Foundation Law was also introduced and a UK-style Registered Business Company Law and Registered Trust Law were adopted. In 2002 a new Electronic Transaction Law and Anti-Money Laundering Law was also adopted, paving the way for the Liberian Registry to offer 24/7 advanced technological corporate services.</p> <p>Liberia offers a wide range of business entities which can be used to accommodate a wide array of business activities.</p>	
Types of Liberian Non-Resident Entities	
Corporation	
<p>One of the oldest and most popular types of entities for setting up a commercial enterprise. A corporation is a distinct legal entity, which is separate from the individuals who own it. The corporation assumes liability for all debts undertaken on its behalf and limits the shareholder's personal liability and exposure to the sum of their investment. Liberian Corporations are easy to form and administer and require no annual filing.</p>	

- No initial capital requirements
- A minimum of one shareholder is required; corporate shareholders are permitted
- Registered or bearer shares can be issued
- Earnings would typically be distributed as dividends
- Limited Liability
- Separate Legal Personality
- Management is vested with the director(s), but decisions are delegated to the officers who have the power to bind the corporation; a minimum of one director and three officers; could be the same person or a shareholder; corporate directors and officers permitted
- While Articles of Incorporation are filed in the Registry, there is no mandatory filing of annual accounts or disclosure of the names of the beneficial owners, directors, or officers; voluntary filings are permitted, enabling the issuance of documents such as Certificates of Incumbency
- Corporation may be managed and records kept anywhere in the world
- Shareholders/Directors/Officers may be any nationality and may be legal persons
- Three officers appointed by director(s); Officers (Pres./Sec./Treas.) execute the business of the corporation
- One person may be sole director and hold all three offices

Limited Liability Company (LLC)

A hybrid entity designed to provide the limited liability features of a corporation and the operational flexibility and efficiencies of a partnership. An LLC can be structured so that income generated by the LLC does not attach to the entity itself but flows directly through to its owners.

- No initial capital requirements
- Separate legal personality
- Income generated within the LLC is not attached to the entity but flows directly through to the owners; no taxation at entity level
- Owner could be an individual or another entity
- Earnings are distributed in accordance with the terms of the Agreements
- A Certificate of Formation is filed in the Registry, the Agreement is not, thus investors are not visible
- There is no mandatory filing of annual accounts or disclosure of members or managers

Limited Partnership

An attractive form of entity for investors who seek limited liability and do not want to be involved in the daily operations of the business, but participate in profits generated by the entity. Limited Partnerships are often formed by business owners involved in real estate, manufacturing and various other business ventures.

Private Foundation

A useful vehicle for individuals seeking to preserve the wealth-generating activities of a family, while making the income available to the beneficiaries in accordance with the donor's wishes.

The Private Foundation acts as a separate legal entity for assets transferred to it, usually in the form of a gift by a donor and are designed to provide named beneficiaries, which might include the donor, with an income from the assets.

Foreign Maritime Entity (FME)

A desirable option for a non-Liberian entity looking to register a vessel in the Republic of Liberia is to register as a Foreign Maritime Entity. FMEs are legal entities established in another jurisdiction, which for the purpose of owning a ship flying the Liberian flag, register in Liberia and become a Liberian entity. FMEs may continue to retain the underlying entity, in the place of original formation.

Re-Domiciliation

Allows for a non-Liberian entity to retain its business history and maintain the same legal identity while receiving the favourable benefits of Liberia – the entity’s new corporate jurisdiction. Other than to advise the relevant parties of the changed jurisdiction, re-domiciliation does not affect the assets or properties originally held by the non-Liberian entity, including bank accounts. Liberia provides free re-domiciliation for foreign entities moving to Liberia.

Competitive Advantages

- Commercially tested jurisdiction with an established legal system
- Stable legal system of statutory law based on Anglo-American common law
- Close ties between Liberia and the US, which enable the Registry to participate in the international arena with key industry institutions
- Recognised by all major banks and financial institutions worldwide
- No international banking restrictions or sanctions attached to the Registry
- 24/7 Electronic Register service allows for same day formation of business entities, the issuance of certificates and the filing of documents
- Strict confidentiality rules about business entities thereby protecting anonymity
- Low annual fees
- Statutorily exempt from Liberian income and withholding taxes
- Free apostilles and acknowledgments
- Flexible and easy to administer Liberian Business Entities; require minimal filings
- No annual reporting or audits
- No nationality or residency requirements for members or managers
- Flexibility in holding meetings and maintaining records
- Dual language filings are possible

Conclusion

Liberian business entities have been used internationally since the Registry’s inception in 1948, gradually gaining a global presence with worldwide recognition. High net worth individuals and companies have been using Liberian entities to facilitate their business endeavors for decades.

NOTES:

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. Totalserve Management Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.