



# Liberia - A Jurisdiction of Substance

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**L**iberia is one of the world's oldest and most respected jurisdictions used by professionals for the formation of non-resident corporations and the registration of commercial vessels. The Registry was established more than 65 years ago in 1948 with the support of former US Secretary of State Edward Stettinius. One of the main factors of the Registry's establishment was the need to find a neutral State to register US-built Liberty ships in the name of corporations controlled by non-US nationals. Shortly thereafter, the ease of administration of Liberian corporations was recognised and extended for use in other industries. This use led to the popularity of Liberian corporations, many of which continue to exist to this day.

There are many reasons why Liberia is selected as the jurisdiction of choice to conduct business and investments globally, some of which include:

- Same day incorporation and first-class service;
- One exclusive Registered Agent, which enables professionals to offer Liberian corporations without being required to purchase a license or establish a local office;
- No nationality requirement for directors, officers or shareholders;
- No mandatory filing requirements for corporate information such as names of Directors, Officers and Shareholders;
- A state of the art electronic registry known as eCorp which facilitates prompt and efficient formation of entities and issuance of documents on a global basis in real time, without having to wait for an office to open; and
- The Liberian Registry is recognised as the world's largest quality ship registry, and the world's second largest registry in terms of fleet size. The Liberian Registry is recognised at the top of every industry "white list" including the

International Maritime Organisation and the major Port State Control authorities around the world. The Liberian Ship and Corporate Registries are administered exclusively through the same privately owned organisation, LISCR, LLC.

Furthermore, the most important reason why Liberia is the premier jurisdiction of choice is that it stands apart from its competitors as a jurisdiction of substance. This single factor is of prime consideration in today's regulatory environment, where financial institutions and other regulatory bodies are seeking to enforce standards of security and authenticity.

## What is a jurisdiction of substance?

A jurisdiction of substance has its statute based on a legitimate country with a body of law which is recognised by the international community. This 'substance' sets Liberia apart from most of its competitors which boast nothing more than a corporate or vessel registry.

Substance matters, especially when it comes to conducting business in today's international and regulatory climate. For example, while Liberia is recognised for administering one of the world's leading Ship and Corporate Registries, the primary economic activities in Liberia are firmly entrenched in the timber, rubber and agricultural sectors. These sectors account for 63% of the country's GDP. Iron ore has traditionally been a major Liberian export. Foreign investment is driving renewal of this industry. In addition, oil exploration off Liberia's coasts develop as drilling operations led by a number of international companies continue to grow. Resident corporations, those conducting business within Liberia, make up one half of the register's robust index of corporations.

The substance of a jurisdiction includes its people, infrastructure and government, as well as its history. Liberia, Africa's oldest republic, certainly has a legacy of survival

despite its moving history of challenges. Today Liberia has reestablished political and economic stability under the dynamic leadership of Africa's first female President, Ellen Johnson-Sirleaf, now serving in her second term and a recipient of the Nobel Peace Prize in 2011.

The substance of a jurisdiction impacts its international standing and ability to negotiate with other countries. Liberia has a well-developed global network of diplomatic missions with capability to support the country's international relations and treaties with its numerous trading partners. Liberia has achieved such recognition in several areas, most notably:

- Leading the world's second largest merchant fleet, Liberia has earned the second largest vote at the International Maritime Organisation (IMO), and it currently serves on the IMO Council;
- Liberia was the first country to ratify the International Labor Organisation's Maritime Labor Convention, 2006 (MLC 2006);
- Liberia was the first country in Africa to achieve compliance in the Extractive Industries Transparency Initiative (EITI);
- Liberia was the first country to include timber revenues as part of the EITI program; and
- Liberia is Africa's oldest republic, formed in 1847.

Moreover, a jurisdiction of substance is defined by the existence of a well-established, internationally tested, body of law. The corporate law of Liberia is modelled on the corporate law of Delaware, USA. Liberia is a commercially tested jurisdiction with over 65 years of uninterrupted service. The similarity to Delaware Corporate Law enables lawyers and professional service providers around the world to easily work with Liberian entities, and there is a pool of Liberian attorneys who are regularly employed to issue opinions related to the law.

The substance of a jurisdiction is to be found in its stability and longevity. This foundation allows business professionals to rely on the jurisdiction and to use and invest in it with confidence.

Liberian corporations have been used internationally for more than half a century, making the Liberian Corporate Registry one of the oldest corporate jurisdictions with global presence in the offshore corporate services industry. Based on its history of legal stability, innovation and client-oriented outlook, Liberia is a jurisdiction of substance, one which is recognised worldwide by corporate service professionals.



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