



Updates From

THE LIBERIAN CORPORATE REGISTRY

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WELCOME!

We are excited to bring you this edition of the Liberian Corporate Registry newsletter!

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THE LIBERIAN LIMITED LIABILITY



Since 2000 the Liberian Corporate Registry offers Limited Liability Companies (LLCs). They are modeled after the Delaware LLC and, based on a contract, provides a hybrid corporate entity embodying the best advantages of a corporation and a partnership. It provides the operational flexibility of a partnership and the limited liability feature of a corporation. It is therefore a preferred choice by many professionals for the purpose of holding real estate and other forms of asset investment. The owners of an LLC are referred to as members, unlike a corporation where the owners are known as shareholders. Members may be natural persons or entities of any nationality.

Advantages Of Forming An LLC

- » Limited liability protection for the members
- » The separation of personal assets of the members from the potential future liabilities to creditors of the LLC (safe in cases of fraud)
- » Pass-through taxation. Business profits, losses and expenses are able to flow through the LLC to its members
- » Enhanced privacy of ownership as there is no requirement to provide transfer of ownership information
- » They can be managed and controlled in any place outside of Liberia

Formation

- » Efficient formation, either based on information provided in the application form or immediately through eCorp
- » Name must contain the words 'Limited Liability Company' or suffix 'LLC' or 'L.L.C.'
- » The members are permitted to contribute capital without risking personal liability

Function

- » The LLC functions according to the terms of the Operating Agreement, which may contain any terms and is not required to be filed or recorded with the Registered Agent
- » Members may be similar to partners, limited partners, or shareholders, depending on the management structure of the LLC
- » Managers elected from and chosen by the members
- » Members are not required to participate in the management of the LLC and may therefore choose not to participate in the management of the LLC

Please visit our website to download instructions on forming an LLC. Please contact us at corporate@liscr.com with any questions you may have regarding Liberian nonresidents LLCs.

LIBERIA IS THE "BENCHMARK REGISTRY" FOR SANCTIONS COMPLIANCE



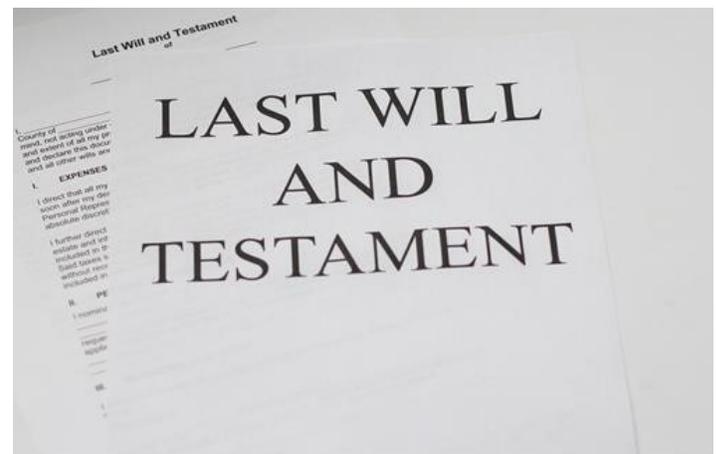
The Liberian Registry participated in the International Sanctions Implementation & Enforcement Africa Regional Workshop facilitated by Sandia National Laboratories and held in Johannesburg, South Africa this past July. The Workshop offered two parallel courses, one focusing on enforcement

and implementation of the United Nations Security Council Resolutions on North Korea, and the other on Strengthening Ship Registries.

The Liberian delegation was headed by the Deputy Minister for Legal/Corporate Registrar, Ministry of Foreign Affairs, Republic of Liberia, Cllr. Deweh Gray and included the Deputy Commissioner for Maritime Operations and Deputy Corporate Registrar, Margaret Ansumana, the Compliance and Legal Manager of LISCR, Irina Nossova, and the Director of Domestic Small Watercraft Agency, Anthony Twee. Their presentations and subsequent discussions outlined the Registry's compliance culture, which has long been the mainstay of the Liberian Registry while elaborating on the due diligence procedures, both onboarding and ongoing, which have been implemented to ensure sanctions compliance. The Liberian delegation stressed the importance of training the Registry's employees on sanctions compliance, as well as the intention to implement "Know Your Clients' Clients" vetting procedures.

Ninety participants from other ship registries of the Africa region called Liberia the "benchmark registry" and the model for "best practices of flag registry management." The Liberian Registry is proud to enforce strict sanctions compliance and to serve as a model for other ship registries worldwide.

PROPER PLANNING



We recently posted a judicial decision in the Scarle estate dispute on our blog. To summarize, John and Marjorie Scarle lived in a house in Essex, which they bought in 1988 using the proceeds of the sale of Mrs. Scarle's former house. The couple each had a daughter from previous marriages. In October 2016, Mr. and Mrs. Scarle both died of hypothermia at their home. This is when the battle over the couple's joint assets began. The difficulty lied in determining which of the two died first since the house would have been passed to Mr. Scarle's daughter should Mrs. Scarle have passed away before Mr. Scarle. Ultimately, the judge ruled that there was

not enough medical evidence to determine who died first and therefore the real estate property was given to the daughter of Mrs. Scarle.

Cases like these repeatedly show the need to properly plan one's assets. The planning should include guidance on how to distribute assets when two founders or settlors die at the same time. This scenario is often ignored when preparing an estate plan. Surely, one can always hope for the best but you really should plan for the worst. Simple decisions at important moments in life will pay off by having a safety net in place. This type of protection and planning certainly also applies to other situations such as buying a house, changing jobs, having children, etc.

CORPORATE HOUSEKEEPING



Corporate governance rules aim to promote transparency and fairness in its dealings with financiers, management, employees, the government and the public in general. This will affect economic performance, market integrity and promote efficiency. Corporate governance rules should be consistent with the Rule of Law and should ensure that the interests of the shareholders are being served.

All countries will mandate certain regulatory requirements for the maintaining of the records of a corporation and Liberia is, in that aspect, no different. The advantage of Liberian non-resident corporations is that The Associations Law does not require any mandatory filings of Board Minutes, Share Registers, Registers of Officers and Directors, or financial information. This however does not mean that the Board of Directors of a non-resident Liberian corporation is exempt from this obligation. The Associations Law lays down several regulations regarding corporate governance, which need to be maintained.

Minute Book

Once a corporation is formed, it is obliged to hold an organizational meeting shortly after to elect directors, who in turn will appoint officers, adopt bylaws (Section 4.9) and

perform any other acts required to complete the organization of the corporation. The corporation must be managed by a Board of Directors (Section 6.1) and for this, a Register of Directors should be outlined in the minutes book.

While the Board of Directors is responsible for governing the corporation and answer to the shareholders, it is the officers who manage the corporation on a day-to-day basis and report to the Board at specified intervals. It is the Board of Directors who is entrusted with the election of the officers. There must be at least two Officer positions, which can be occupied by one and the same person, who may also be a corporate or legal person, of any nationality. Examples of officer positions are: President, Secretary and Treasurer. A Register of Officers must therefore also be recorded in the minutes book.

It is further important for a corporation to maintain a share register that contains information regarding the number of shares issued, date of issuance and name and address of each shareholder.

For our clients' convenience, the Corporate Registry's regional offices offer the purchase of corporate kits and the issuance of share certificates.

Annual Fees:

Every Liberian corporation is required to pay an annual registration fee, which is due annually on the anniversary of the existence of the corporation. Failure to do so will cause the corporation to fall out of goodstanding, and neither the Registrar nor the Deputy Registrar will accept filings on behalf of the corporation until it is restored to goodstanding. A non-goodstanding corporation is further denied access to courts and cannot entertain an action, suit or proceeding of any kind until it has been brought into goodstanding by payment of any outstanding fees.

Registered Agent:

Every Liberian corporation is required to maintain a registered agent in Liberia upon whom process against such corporation can be served. The agent for service of process for all non-resident Liberian entities is The LISCR Trust Company at 80 Broad Street, Monrovia. Penalties for failure to maintain a registered agent are detailed in Section 11.3 of the Business Corporation Act (BCA) and include revocation of the Articles of Incorporation (often referred to as Annulment or Involuntary Dissolution).



Q&A Section

I would like to convert my Liberian corporation into a Liberian LLC - is this possible?

Yes! A corporation registered in Liberia may, if permitted to do so by its constitution, apply to de-register upon reregistration as another legal entity under the laws of Liberia. The effective date of de-registration as a corporation and re-registration as a LLC will be the date of filing the application with the Registrar.

The filing fee is US\$ 1,200.00, due at the time of filing, and the required documents are as follows:

- » One original of the Application executed by the Officers and legalized
- » A copy of the resolution of the shareholders of the corporation resolving to de-register and re-register as a LLC certified by an officer of the corporation as a true and correct copy of the original resolution
- » Certificate of Formation of LLC in accordance with Section 14.2 of the Liberian Associations Law
- » Confirmation that according in all respects with Chapter 14 and the objects of the LLC, an LLC agreement is in place – may be included in the resolution of the shareholders.

Please contact [Mrs. Elizabeth Goralski](#) or [Mr. Anthony Perea](#) in case you wish to receive further information about this procedure.

LOOKING FOR A 'NEW' JURISDICTION? BRING YOUR NEXT INCORPORATION REQUEST TO US!



With 70+ years of experience, Liberia is one of the oldest offshore jurisdictions. The increasing international recognition of Liberia as a compliant jurisdiction has proven it as a preferred choice.

Recent attacks on the high profile

offshore financial centers and uncertainties surrounding them have driven professional service providers to seek out new jurisdictions. Many have discovered Liberia, a 'new' jurisdiction, with over a half-century record of accomplishment of providing professional services to the world's financial and investment communities.

Liberian corporations are at the core of well-established private and public investments in all major financial sectors

resulting in a significant percentage of global business activity conducted through Liberian entities. Liberia is also home to the world's second-largest ship registry, with a current fleet of over 4,400 vessels of around 170 million gross tons.

For all of your future corporate needs, choose LIBERIA!

See also our supporting article [Why Liberia Now?](#)

BLOG



Follow our blog for exciting news and developments.

eCORP



Take a look at the Corporate Registry's state-of-the-art web-based client interface

WEBSITE



Visit our website for more information about the Corporate Registry

CONTACT DETAILS

feel free to contact us using the following email addresses below:

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Dubai, UAE - corporate@liscr.com

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