



# Trade Tax Free

*Trade Tax Free*

## Offshore Companies



An offshore company is a company which does not conduct substantial business in its country of incorporation. They are sometimes known as non-resident companies.

### **BENEFITS**

Offshore companies may bring a number of benefits to individuals or companies.

- Taxation - business may be structured so that profits are realized in ways that minimize their overall tax liability.
- Simplicity - except for regulated businesses, such as banks or other financial institutions, some jurisdictions make it relatively simple to set up and maintain companies.
- Reporting - the level of information required by the registrar of companies varies from jurisdiction to jurisdiction.
- Asset protection - it is possible to organize assets and transactions in such a way that assets are shielded from future liabilities.
- Anonymity - by carrying out transactions in the name of a private company, the name of the underlying principal may be kept out of documentation. Having said that, current anti-money laundering regulations often require banks and other professionals to look through structures.
- Thin capitalisation - offshore jurisdictions tend not to impose "thin capitalisation" rules on companies (except for regulated entities such as banks and insurance companies), allowing them to be formed with a purely nominal equity investment.
- Financial assistance - offshore companies are usually not prohibited from providing "financial assistance" for the acquisition of their own shares, which avoids the needs for "whitewash" procedure in certain financial transactions.

•

« « Start

- 
- 
- 
- 

« Prev  
Next »  
End »»