



## Delaware Fact Sheet

### GENERAL INFORMATION

Company type	Limited Liability Company (LLC). All corporations incorporated under this particular legislation must use LLC at the end of their name.
Timeframe for company formation	2 days
Governing corporate legislation	The Delaware Secretary of State is the governing authority and companies are regulated under the Delaware Corporation and business law.
Legislation	Modern offshore legislation
Legal system	Common Law
Corporate taxation	No tax of any kind provided that there are no transactions in the United States and that its owners are not US Persons. While the company may not be liable to pay taxes, please consult with a tax/legal advisor in your country of residence, to determine your own tax liability.
Accessibility of records	There is no public register of company officers.
Time zone	GMT -4
Currency	United States Dollar (USD)

### SHARE CAPITAL

Standard currency	USD
Standard authorised capital	Not applicable
Minimum paid up	Not applicable

### SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	1
Locally-based requirement	No
Requirement to appoint Company Secretary	Optional

## ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	No accounting/reporting requirements, provided that there are no transactions in the United States or with US persons.
Requirement to appoint auditor	No
Requirement to file accounts	No
Accessibility of accounts	None

## DOCUMENT REQUIREMENTS

Certified copy of valid passport (or national identity card)
Proof of address (issued within the last 3 months) in English or translated into English

## INCORPORATION FEES

Initial set-up and first year	USD 1160
Per year from second year	USD 1000

Delaware General Corporation Law, which forms the basis of the Delaware Courts' opinions, is widely regarded as giving great flexibility to corporations to manage their affairs. For these reasons, Delaware is considered to have the most business-friendly legal system in the United States, thus a great number of companies are incorporated in Delaware, including 60% of the companies listed on the New York Stock Exchange.



## JURISDICTION INFORMATION

Delaware is located on the northeast coast of the United States, bordered to the south and west by Maryland, to the northeast by New Jersey, and to the north by Pennsylvania. The geographical position represents a real advantage in terms of export markets due to its close location to the sea and main highways. The General Corporation Law of Delaware has built a good reputation for this jurisdiction and has helped Delaware become famous for company incorporations. The companies incorporated in Delaware are known as LLCs, which offer the

advantages of a combination between a corporation limited by shares and a Limited Partnership, thus is a good way to protect the personal liability and assets of the owners. At the same time it allows the owner to enjoy the benefits of a tax-free jurisdiction on all business transactions and profits generated outside the United States without having to go through the restrictions of a US Corporation. It offers the possibility to have a US company with advantages similar to that of an International Business Company.

## POLITICAL STRUCTURE

Delaware's fourth and current constitution, adopted in 1897, provides for executive, judicial, and legislative branches. The Delaware General Assembly consists of a House of Representatives with 41 members and a Senate with 21 members. It sits in Dover, the state capital. Significantly, Delaware has one of the few remaining Courts of Chancery in the nation, which has jurisdiction over equity cases, the vast majority of which are corporate disputes, many relating to mergers and acquisitions.

The Court of Chancery and the Delaware Supreme Court have developed a worldwide reputation for rendering concise opinions concerning corporate law which generally grant broad discretion to corporate boards of directors and officers.

## ECONOMY

Delaware is the ninth richest state in the United States, with a per capita income of \$23,305 and a personal per capita income of \$32,810. The state's largest employers are: government; education; banking; chemical and pharmaceutical technology; healthcare; and farming. More than 50% of all U.S. publicly traded companies and 63% of the Fortune 500 are incorporated in Delaware. The state's attractiveness as a corporate haven is largely because of its business-friendly corporation law.

## POPULATION

The United States Census Bureau estimates that the population of Delaware was 935,614 in 2014, a 4.2% increase since the 2010 Census. Delaware is the sixth most densely populated state, with a population density of 442.6 people per square mile. The centre of population of Delaware is located in New Castle County, in the town of Townsend. The racial composition of the state is: 68.9% White American; 21.4% Black or African American; 8.2% Hispanic and Latino; 3.2% Asian American; 2.7% Multiracial American; and 0.5% American Indian and Alaska Native. The largest ancestry groups in Delaware are Irish, German, English, Italian, Polish, American, French, and Scottish.

## LANGUAGE

As of 2000, 91% of Delaware residents age 5 and older speak only English at home, while 5% speak Spanish. French is the third most spoken language in the state at 0.7%, followed by Chinese at 0.5% and German at 0.5%.

## COMPANY FORMATION INFORMATION

### INCORPORATION PROCEDURE

Upon receipt of the client's KYC documents (passport copy and proof of address issued within the last 3 months) and description of the intended business activity, and after our legal department's due diligence checks, SFM will incorporate the LLC via our Delaware-based agent as it is necessary for the registered office of the company to be maintained in Delaware at the address of a licensed management company.

### INCORPORATION TIMEFRAME

Two days.

### US FEDERAL TAXATION

US LLCs structured for partnership tax treatment with non-resident members and which conduct no business in the US and which have no US source of income are not subject to US federal income tax and are not required to file a US income tax return. However, a FBAR form has to be filed each year where the bank account balance exceeds \$10,000 at any time.

### NAME RESTRICTIONS

A US Limited Liability Company's name must end with LLC or LC for Limited Company. Restricted names include anything identical or similar to an existing company within the state. Additionally, the use of bank, trust, insurance, or reinsurance within the name of the LLC is generally prohibited as limited liability companies in most states are not allowed to engage in a banking or insurance business.

### CORPORATE DOCUMENTS LANGUAGE

English