



## Marshall Islands Fact Sheet

### GENERAL INFORMATION

Company type	International Business Company (IBC)
Timeframe for company formation	1 to 2 days*
Governing corporate legislation	Governed by the Marshall Islands Business Corporations Act (BCA) which is similar to corporation laws in the United Kingdom and the United States.
Legislation	Modern Offshore Legislation
Legal system	Common Law
Corporate taxation	No taxes on offshore profits. 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	No
Time zone	GMT +12
Currency	USD

### SHARE CAPITAL

Standard currency	USD
Standard authorised capital	USD 50,000.00 or 500 shares without par value
Minimum paid up	USD 1

### SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

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

## ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	No, As per Section 80 of the RMI Associations Law
Requirement to appoint auditor	No
Requirement to file accounts	No
Accessibility of accounts	No

## DOCUMENT REQUIREMENTS

Notarized/certified copy of passport and recent utility bill issued less than 3 months ago \*\* and a brief business plan will be required.

## INCORPORATION FEES

Initial set-up and first year	USD 1470
Per year from second year	USD 1250

## GOOD TO KNOW

An MRI IBC permits 100% foreign ownership and limited liability, can be formed by one unique shareholder who may also become its sole director, has a fast registration process, no account filing or audit requirements; in addition the names of directors, shareholders and officers are not subject to any public records. Nominee directors and shareholders can be appointed.



## JURISDICTION INFORMATION

The Republic of the Marshall Islands (RMI) is a sovereign nation. While the government is free to conduct its own foreign relations, it does so under the terms of the Compact (i.e. The Compact of Free Association between the Marshall Islands and the United States). The United States has full authority and responsibility for security and defence of the Marshall Islands, and the Government of the Marshall Islands is obligated to refrain from taking actions that would be incompatible with these security and defence responsibilities. The United States and the Marshall Islands have full diplomatic relations. Marshallese citizens may work and study in the United States without a visa, and serve in the U.S. military.

## POLITICAL STRUCTURE

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The Marshall Islands is an isolated, sparsely populated, low-lying Pacific island country consisting of approximately 70 sq. miles of land spread out over 750,000 sq. miles of ocean just north of the equator. These characteristics make it vulnerable to transnational threats, natural disasters, and effects of climate change. U.S. assistance focuses on supporting health, education, and infrastructure in the Marshall Islands, as well as the RMI's ability to perform maritime security functions and strengthen climate resilience through disaster preparedness. The U.S. provided \$5.1 million in drought assistance in 2013.

Under the Compact, as amended, the U.S. provides the Marshall Islands with approximately \$70 million annually through FY 2023, including contributions to a jointly managed trust fund and financial assistance from other U.S. federal grants. Marshallese citizens also continue to have access to many U.S. programs and services. A Joint Economic Management and Financial Accountability Committee with members from both governments has been established to strengthen management and accountability with regard to assistance provided under the Compact, as amended, and to promote effective use of the funding provided.

A number of U.S. Government agencies operate programs or render assistance to the Marshall Islands. These include the Federal Aviation Administration, the U.S. Postal Service, the Small Business Administration, the U.S. Agency for International Development, the Department of Energy, the Department of Agriculture, the Department of Health and Human Services, the Department of Education, the Department of State, and the Department of the Interior. Compact grants are primarily funded through and implemented by the Department of the Interior.

## ECONOMY

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The economy of the Marshall Islands is closely linked to that of the United States, and its GDP is derived mainly from U.S. payments under the terms of the Compact of Free Association. The U.S. Army garrison on Kwajalein Atoll is the second largest employer in the RMI. Through the Compact, the United States provides significant financial support to the Republic of the Marshall Islands to help achieve the Compact goals of economic self-sufficiency. The United States is one of the Marshall Islands' top trading partners, and the Marshall Islands has expressed interest in attracting U.S. investment. The Marshall Islands sells fishing rights to other nations as a source of income. Under the multilateral U.S.-Pacific Islands tuna fisheries treaty, the U.S. provides an annual grant to Pacific island parties, including the Marshall Islands, for access by licensed U.S. fishing vessels.

## POPULATION

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As of 2017, the Marshall Islands has a population of roughly 53,150 people.

## LANGUAGE

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Marshallese language and English

## COMPANY FORMATION INFORMATION

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### INCORPORATION PROCEDURE

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Upon receipt of the applicable KYC documents and description of the intended business activity, and after our compliance department's due diligence checks, SFM will incorporate the IBC via our Marshall island agent.

The notarised/certified true copy of documents must state the words, "Certified True Copy", be dated, and must display the full name, contact details, position, and signature of the certifier. The certifier can be a notary, lawyer, or bank official, or an authorised civil servant from a public administration. The true copy certification of an identity document must not be older than 12 months. The page with the passport holder's signature must also be certified if the holder's signature doesn't appear on the main detail page.

## INCORPORATION TIMEFRAME

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One to two days.\*

## TRADING RESTRICTIONS

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The Marshall island IBC cannot trade within the Marshall Islands, also, IBC's are not permitted to engage in activities or services as, banking, collective investments schemes, assurance, funds management, insurance, reinsurance, trusteeship services, and trust management.

## NAME RESTRICTIONS

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The IBC I's name must end with a word, phrase, or abbreviation that indicates "Limited", "Corporation", "Incorporated", "Public Limited Company", "Societe Anonyme", "Sociedad Anonima" or Ltd, Corp., Inc., PLC, S.A., or any other relevant term. Restricted names include "Assurance", "Bank", "Building Society", "Royal", "Trust Company", "Trustee Company" etc. are prohibited

## CORPORATE DOCUMENTS LANGUAGE

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English

## NOTES

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\* Subject to the constraints of the due diligence procedure.

\*\* Documents must be provided for every person related to the company.

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