

Information

Company Setup in Nevis

April 2023

We are pleased to know that you are interested in setting up a company in Nevis. In this information sheet we want to introduce you to the island and the different options for your company in Nevis. You can start a new company or move to Nevis with your existing company. Here is a small overview of what you can find in this document:

- Nevis - Your Safe Harbor
- Limited Liability Company (LLC)
- International Business Corporation (IBC)
- Comparison LLC and IBC
- FAQs (Frequently Asked Questions)
- Redomiciliation
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Nevis - Your Safe Harbor

Nevis is located at the tip of the Lesser Antilles archipelago in the Caribbean Sea, about 200 miles south of Puerto Rico and west of Antigua. Nevis was discovered by Christopher Columbus on his second voyage in 1493. Nevis was a British colony from 1628 until 1983, when it became independent and joined the Federation of St. Kitts and Nevis.

The population of Nevis is about 11,000, the official language is English, and the literacy rate is 96%.

Nevis has long been considered an ideal environment for offshore companies, foundations, and trusts. In Nevis, no taxes are levied on income earned outside of Nevis, the privacy of entrepreneurs is maximally preserved, and assets are afforded above-average protection.

In Nevis, there are 2 forms of international company formations: **International Business Corporation (IBC)** and **Limited Liability Company (LLC)**.

The Nevis LLC as well as the IBC offer distinctive tax advantages, easy registration, competitive fees, and excellent protection of your assets against any third party lawsuits.

Limited Liability Company (LLC)

A Nevis LLC is a good option for those considering a corporation or partnership. A Nevis LLC is a legal entity with separate rights and obligations from its managers or members. Therefore, the LLC is **liable** for its own debts, obligations, and liabilities.

Most business owners choose to form a Nevis LLC primarily because with a Nevis LLC they **protect their business and assets**, as third party lawsuits in Nevis have virtually no chance of succeeding.

Nevis LLCs are exempt from national **tax** on income, profits, dividends, interest, and capital gains if their earnings come from outside the borders of St. Kitts and Nevis. From a tax perspective, the formation of a Nevis LLC is therefore advantageous if you are resident in a favorable tax jurisdiction or if you are not resident at all, because the profits are taxed according to your residence.

Another important reason people choose a Nevis LLC is for **maximum privacy**. For example, a Nevis LLC is allowed to appoint a **nominee member**.

In addition, there are **no public records about** the company, its members, or beneficial ownership. Names and other information of members are not filed in the **company register**.

An LLC formed in Nevis can be used for any lawful **business purpose** (with few exceptions), including real estate ownership, manufacturing operations, and as an operating or investment vehicle for international trusts. Excluded are businesses that are also not legal or welcomed in Nevis, or require a license (e.g. banking, forex, insurance, etc).

The owner of a Nevis LLC is called a **member**. A Nevis LLC can be formed by one person or by several persons. The Nevis LLC should have at least one member and this member can be the manager. Any other person or entity may also act as manager. The LLC may be supervised solely by one member or by all members. Corporations are eligible to act as managers and/or members. The Nevis LLC does not require the appointment of managers.

Every Nevis LLC is required to maintain a **registered agent** in Nevis. Be careful if your company is not registered with an official Registered Agent, as this may lead to the involuntary dissolution of your LLC! The address of the registered agent is also the address of the registered office of your Nevis corporation. We will let you know the address as soon as your company is registered.

The **name of your Nevis LLC** must be written in Latin letters and end with Limited Liability Company or Limited Company. Abbreviations such as LLC, L.L.C or L.C are also acceptable. The company name must not be identical with already existing company names in Nevis.

When forming a Nevis LLC, no **initial capital** is required and the LLC does not need to issue membership shares to begin operations.

The members of an LLC may enter into a written **operating agreement**, but this is not mandatory. The operating agreement defines the scope of operations, the conduct of business, and the rights or powers of the members and managers.

Your Nevis LLC can have a fairly simple **management structure**. There are no shareholders, only members and managers. At the same time, as the only member, you can also be the sole manager of the LLC. The manager of a Nevis LLC does not have to have ownership. Your nationality does not matter at all. The records of a company and its main office can be located anywhere. However, all records such as contracts and invoices, should be kept for **5 years**.

To form a Nevis LLC, the **Articles of Organization** must be filed and then submitted to the Registrar of Companies. This article must also include the information of a written operating agreement (if any). Don't worry, we will take care of all that for you!

Annual Compliance Requirements

A Nevis LLC must be **renewed each year** to remain active, which includes an annual registration fee. Furthermore, a tax form must be filed (**CIT**). We will take care of this for you as well.

Foreign LLCs or IBCs, or even corporations, can move their registered office to Nevis quite efficiently (**redomiciliation**). You can read more about this further below.

International Business Corporation (IBC)

A Nevis IBC is suitable for larger companies. You can already see that from the possible naming abbreviations. You can choose between S.A., A.G., Corporation, Inc. or even GmbH (a legal form for a company with limited liability).

In a Nevis IBC you can appoint shareholders, officers and directors. They may be of any nationality and may reside anywhere. In addition, a corporate secretary may be appointed to manage the activities of the corporation. The company secretary can be a company or an individual. Companies may serve as directors, and alternate directors or substitute directors may be appointed. All shareholders and directors may act by unanimous consent without a meeting and are authorized to give written proxies.

Corporate and accounting records must be readily available to the corporation's registered agent and to Financial Service Nevis upon request. Whenever there is a change in beneficial owners, shareholders, directors, or officers, the change must be reflected in the registered agent's records. AML/CFT **on-site audits** are conducted by the FSRC - Nevis Branch (the local authority) to ensure that registered agents are in compliance with these provisions.

The authorized share capital of the Nevis IBC may be established in any recognized **currency**. The **identity** of beneficial owners and shareholders must be obtained and maintained by the company's registered agent.

The subscription of **bearer shares** has been restricted.

Bearer shares are permitted only with the approval of the registered agent or the regulatory authority. The registered agent must hold the bearer share certificates in the name of the beneficial owner and maintain a register for each bearer share. Again, AML/CFT on-site audits are conducted by the FSRC - Nevis Branch to ensure that registered agents comply with these provisions.

Nevis IBCs may **amend** their articles of incorporation, merge or consolidate with foreign corporations or other Nevis corporations, or file a certificate of dissolution in accordance with regulations. In addition, the Ordinance provides that any corporation may transfer its domicile to or from Nevis (**redomiciliation**). Nevis LLCs, or foreign LLCs may be converted into Nevis IBCs, e.g. also into corporations.

The **minimum number** of required shareholders is one; and the minimum number of required directors is also one. Shareholders, directors and other officers of Nevis IBC may reside anywhere and may be of any nationality.

Comparison LLC and IBC

In general, the decision between a Nevis IBC or LLC depends on your business needs. First and foremost, the structure you prefer is important. And you need to understand the requirements of your jurisdiction regarding business taxation, as well as the ability to obtain financing for your business.

Here are the key differences between these two legal forms:

Business Structures. Unlike a Nevis LLC, where managers and members own and run the business, a Nevis IBC has shareholders as owners. Shareholders are responsible for making important decisions without interfering in the day-to-day operations of the business. Shareholder participation and profits to be earned depend on the number of shares owned.

Ability to Raise Capital. Both types of companies can raise capital from outside investors. Nevertheless, venture capitalists prefer the Nevis IBC structure. The reason for this is the higher degree of anonymity, the flexibility of ownership, and the fact that the responsibility does not lie with just one entrepreneur.

Taxation. A Nevis IBC must file corporate income tax on income earned in Nevis. In contrast, the profits of a Nevis LLC are taxed as personal income tax of the owners in the place where they are taxable.

Registration Process. Due to its more complex structure, the registration of a Nevis IBC is more complicated and lengthy than that of a Nevis LLC. Nevertheless, the associated costs are similar.

Ongoing Obligations. Nevis IBCs have more annual compliance obligations compared to Nevis LLCs. Such obligations may include annual shareholder meetings and tax reporting requirements.

FAQs

Are there any reporting requirements for Nevis IBCs and LLCs? Under AML (Anti Money Laundering) regulations, trust and company service providers acting on behalf of companies are required to obtain and maintain KYC information on all controlling persons, including, for example, beneficial owners, controlling shareholders, directors, or managers. We will clarify with you on a case-by-case basis which of these apply to you and how to assist you.

Are bearer shares permitted? Yes, but bearer shares must be held in custody by an approved custodian (licensed trust and corporate service provider) in Nevis. In some cases this must also be approved.

What does "Beneficial Owner" mean in Nevis? Under Section 2 of the Nevis Business Corporation Ordinance, a beneficial owner is defined as the individual(s) who ultimately owns or controls a corporation and/or the individual on whose behalf a transaction is conducted and/or the individual who exercises effective control over a corporation.

Nominee Services

You can appoint **nominees** to the positions of your Nevis company. This is mainly to protect you from disclosure requirements and/or to fulfill the legal obligation to have at least one resident director. Nominee positions are available for members, managers, shareholders, or directors.

For example, a **nominee manager** is assigned to manage the day-to-day affairs of the company strictly in accordance with the business owner's instructions. His/her role and responsibilities are set out in a nominee service agreement, which also serves to protect the business owner from misconduct by the nominee.

A **nominee shareholder** is appointed to hold shares on behalf of the business owner, but is not the legal owner of the shares. Its main purpose is to preserve the anonymity of the beneficial actual owner.

Redomiciliation – Simply Move Your Company to Nevis

Corporations and LLCs can take advantage of the unique provisions of the Nevis Offshore Regulations and move to Nevis quite easily. However, you are not permitted to move your actual business operations to Nevis, i.e. to do business in Nevis.

First, you submit your application for moving the registered office / leaving the current jurisdiction to your current Registered Agent. You will receive a **Certificate of Departure** from them.

We provide you with a **list** of required documents for re-registration / registration in Nevis. This list includes your current company documents as well as the KYC requirements.

Upon submission of the application, the Nevis Registrar of Companies will issue a **certificate of change of registered office** and the company will be enrolled as a valid and existing Nevis company or LLC. This process usually only takes a few days.

Of course, a corporation or LLC must adapt its records and documentation requirements to comply with Nevis law.

In unusual circumstances, when the registered office of a foreign company is threatened by civil unrest, revolution, invasion or expropriation, the company may submit an application for **emergency relocation**. In this case, the relocation will only take 1-2 days. However, there are extra fees associated with this.

By the way, any corporation or LLC subject to offshore regulations may file a certificate of departure from the country/jurisdiction to become domiciled in another jurisdiction.

Step by Step

What is the procedure for company registration?

Once you have decided on a business form, I will send you all the necessary forms as well as the KYC (Know Your Customer) requirements. This may seem like a lot, but it is actually easy to comply with. In addition, these documents are necessary in Nevis to maintain the high level of integrity.

For example, you will get a checklist, a general customer form, and the application form, as well as examples of reference letters.

Please send all completed and signed forms, as well as all KYC documents by email to nevis@staatenlos.ch

After we receive your documents, we review them. Then we start the registration process with the Registered Agent in Nevis.

In some cases all your originals have to be submitted to Nevis to be validated there. I will then give you the exact address where you should send all originals by courier (e.g. FedEx or DHL). After the registered agent has received your documents, your company will be incorporated within 3-4 days.

You will then receive the incorporation documents in digital form by email from me. There is also the possibility of asking for the originals back. These will then be sent by courier (e.g. FedEx), in which case you will be responsible for the costs (about USD 120, varies somewhat depending on the destination country). You can also deposit the originals at our law office for free. Please let me know what you decide in this regard.

Please contact Christoph about payment for the company setup at christoph@denationalize.me

If you have any further questions about the documents, KYC, forms, or the process, please send an email to christoph@denationalize.me

KYC (Know Your Client) & Documentation

Furthermore, some KYC documents are necessary for the company setup. Depending on the corporate form, the KYC are slightly different and we will tell you exactly what is needed. But at a minimum you need:

1. Certified copy of your passport, where your photo and your signature can be seen
2. Certified copy of proof of residence (e.g. electricity bill, bank statement,...), not older than 3 months
3. Reference letter from your bank - we will gladly provide you with a sample letter in English
4. Reference letter from a lawyer or tax advisor - we will gladly provide you with a sample letter in English

Company Documents

You will receive the following documents from us after successful incorporation:

For Your LLC

1. Articles of Formation
2. Certificate of Formation
3. Minutes
4. Operating Agreement

All documents are not certified & without apostille.

For Your IBC

1. Articles of Incorporation
2. Certificate of Incorporation
3. By-Laws
4. Minutes
5. Resolution
6. Share Certificates

All documents are not certified & without apostille.

Banking / Bank Accounts

If you need a bank account for your new company, we will of course help you. You can choose from several banks in the Caribbean that are familiar with Nevis company formations and have an offshore license. Currently, many changes are taking place in the banking world, such as mergers.

Banks and private banks in the Caribbean are not spared from this.

Like all banks, banks in the Caribbean are subject to international regulations regarding money laundering as well as KYC requirements. These requirements are interpreted quite differently.

What else can I add?

You can have your original company documents couriered to you, or they can be held locally in Nevis. Your documents can also be notarized or apostilled.

There are also nominee services that can be customized according to your objectives (see above), as well as mail forwarding or storage services that we offer through our partners.

Additional Information

Blog Posts by Christoph:

Setup Your Company In Nevis: Protect Your Wealth in the World's Last Tax Haven

<https://denationalize.me/company-formation/set-your-company-in-nevis-protect-your-wealth-in-the-worlds-last-tax-haven/>

17 Reasons Why You Should Never Sue a Nevis Company (and how you can use it to your advantage)

<https://denationalize.me/lifestyle-en/llc-nevis-company/>

General Advice & Questions About Setting Up a Company: email christoph@denationalize.me