

# INFORMATION SHEET

LLC

LIMITED LIABILITY COMPANY

DENATIONALIZE.ME



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# FACTS

**7  
DAYS**

**CURRENT TIME TO  
FORM A FLORIDA LLC**

**3  
DAYS**

**NEW MEXICO OR  
WYOMING LLC  
(ANONYMOUS)**

**3  
DAYS**

**CURRENT TIME TO  
OBTAIN AN EIN**

**2000  
€**

**FOUNDATION OF  
THE LLC**

**1400  
\$**

**ANNUAL  
FEE**

Thank you for your interest in forming an LLC through denatioalize.me. This information sheet is intended to provide you with clear answers to all the essential questions you may still have about your new company. Do not hesitate to ask further questions.

Questions about the LLC please send to:

[dennis@staatenlos.ch](mailto:dennis@staatenlos.ch), [juliana@staatenlos.ch](mailto:juliana@staatenlos.ch), [nam@staatenlo.ch](mailto:nam@staatenlo.ch)

or [usa@staatenlos.ch](mailto:usa@staatenlos.ch).

Please send general inquiries to: [christoph@denationalize.me](mailto:christoph@denationalize.me)

# INFORMATION

## FORMATION PROCESS

In order to ensure a quick and smooth process, provide us with the following information by email to [usa@staatslos.ch](mailto:usa@staatslos.ch). The individual points are explained in detail later in the text.

We generally recommend the state of Florida for the formation of LLCs, where we have our own office that can be used as a business address. Florida is easily reached from outside the US, has a good reputation and no local laws that could negatively impact your LLC. However, we can also set up the LLC in any other state if you prefer.

You can check whether the desired name for your LLC in Florida is still available [here in the register](#). The name must not already exist and must be sufficiently distinguishable from existing company names. If you don't want to search yourself or are unsure, simply send us several names in order of priority so we can check it ourselves.

Member-managed or manager-managed means whether you appear as the owner of the LLC in the commercial register. If you are the sole owner of the LLC and do not need any anonymity, you can choose Member-Managed and appear in the register as the owner of the company. This usually simplifies the opening of bank accounts. In the case of manager-managed LLCs, on the other hand, only the directors of the LLC appear in the commercial register, and the owners remain anonymous to the public. The ownership is structured purely internally in the operating agreement, which you will receive from us after the company has been founded. If you are unsure what the best solution is in your case, please ask.

We also need a copy of your passport (scan/photo) in order to receive the EIN (tax number). Normally, the issuance of an EIN currently takes 2 - 4 weeks at best, but processing times of up to 8 weeks cannot be ruled out with certainty. Without an EIN, you are limited in opening bank accounts and doing business with your LLC. We have a method of obtaining the EIN much faster, usually within a few days.

# INFORMATION

The payment for the LLC if not already done (2000 Euro) goes via Paypal to christoph@staatenlos.ch, in any cryptocurrency, or via bank transfer to one of the following accounts:

Transferwise

(USD-Konto, Überweisung per SWIFT)

Thirteen Flags LLC

2880 W Oakland Park Blvd, Suite 225C

Oakland Park, 33311 Florida, United States

GB21TCCL04140461245217

TCCLGB3LXXX

The Currency Cloud Limited

12 Steward Street, The Steward Building, London, E1 6FQ, Great Britain

Thirteen Flags LLC

3833 POWERLINE ROAD, Suite 301

FORT LAUDERDALE, FL 33309 US

\*\*\*\*\*

Thread Bank

Account Number - 200000006206

Routing Number - 064209588

Checking

(USD account, transfer via ACH (US domestic wire transfer))

Thirteen Flags LLC

Thirteen Flags LLC (Konto Inhaber)

3833 POWERLINE ROAD, Suite 301

FORT LAUDERDALE, FL 33309 US

\*\*\*\*\*

Kto: 509176101690678

BIC: CLNOUS66XXX

Routing/ABA: 121145307

# INFORMATION

Bank address: Column Bank, 1110 Gorgas Avenue, Suite A4-700 San Francisco, CA 94129, US

Kind regards,  
Christoph Heuermann & Daniel Heuermann

# ANONYMITY

## ANONYMITY

Setting up an anonymous LLC usually means only having access to bank accounts in the US itself (i.e. SWIFT system, no IBAN/SEPA). IBAN/SEPA-enabled banks do usually not open accounts unless at least one person involved appears in a public register. Online banks like Wise are the rare exception. Anonymous incorporation in the USA (New Mexico or Wyoming) also costs 2000€ in the first year and 1400€ annually from the second year.

# INTRODUCTION

## INTRODUCTION TO LIMITED LIABILITY COMPANY

LLC stands for Limited Liability Company. A LLC is a legal business form that does not exist in this form in Europe, a hybrid of a partnership and a corporation. It can have a single owner (designation: member) who can also be the managing director (designation: manager). The LLC is not a special offshore company but is used by millions of Americans alike.

Members of an LLC are usually not automatically made public in the commercial register. The internal structure of an LLC results from the Operating Agreement, which specifies the percentage of ownership between the members and can be used to outline all kinds of internal arrangements. However, the operating agreement is purely optional and only really necessary if there are more than two members in a LLC. You will receive a standard sample of an operating agreement after the formation.

Only the manager of the LLC is visible in most states' commercial registers. It can be specified at the time of incorporation whether the LLC should be „member-managed“ or „manager-managed“. Member-managed means that every member is also a manager of the company at the same time, while manager-managed means there is a specific member or outside person specifically appointed as a manager.

The opening of business accounts for the LLC is only possible when providing the information of all involved members and managers to the bank in question. It is possible that a natural person will be replaced by another person after the accounts have been opened, but a document confirming such a change will usually be uploaded to the commercial register. Full anonymity from the public is therefore only available in selected states, without the use of business bank accounts or with the appointment of a permanent manager. In principle, this can also be a US citizen or resident without triggering any tax disadvantages, as long as this person does not take part in the business in other ways.

The time to form a LLC varies by state. In the state of Florida it usually takes around 10 days. The specific foundation period will be communicated to you



# INTRODUCTION

when you place your order. Once your LLC has been entered in the commercial register, we will provide you with further information and the incorporation documents. This is followed by the application for the tax number EIN, which currently takes 3-8 weeks with the standard procedure, but only a few days in the accelerated way.

# TAXATION

## TAXATION

A Single-Member LLC is by default a so-called “disregarded entity for federal tax purposes” for the tax authority IRS. That means there are no US taxes if the members are not liable to taxes in the US themselves and as long as no economic nexus for the LLC is created in the US. The principle of tax transparency applies, meaning that the LLC does not pay taxes itself on the corporate level, but the members pay taxes where the members are tax residents personally. LLCs are therefore “pass-through entities” in which the tax payment is passed through to the tax residence of the owners.

As a rule, you formed this LLC because you have a tax-free residence or, as a perpetual traveller, no tax residence at all. In other countries, it is up to you to tax the LLC at applicable income tax rates and any social security contributions, as you would have to do with a local partnership or corporation. Because of the limited liability, European countries usually classify the LLC as a corporation, since there is no equivalent to a one-owner partnership with limited liability in Europe. This can have very unfavorable tax consequences.

Income directly from the USA is also tax-free as long as the LLC does not create an economic nexus in the US, which usually means you should not have a permanent establishment or employees in the US. Use of an office as a post address is not a permanent establishment as long as business activities are not carried out there on a regular basis. It is not a problem to employ freelancers in the US as long as they do not work exclusively for you. The same applies to contractual partners of all kinds. As long as they do not work exclusively with you, they are not so-called “dependent agents”. Such would make the LLC taxable in the United States, limited on US-source income. Foreign income would remain unaffected. US income would then be subject to federal and possibly state income tax. The US does not have a VAT like in Europe. That only exists in the form of sales tax mainly on physical goods.

Otherwise, the VAT rules of the countries in which your customers are located apply. With a US LLC, you are almost always completely exempt from VAT. You can issue net invoices to your customers. If you have business clients (B2B) in the EU, the reverse charge procedure applies. The customer

# TAXATION

based in Europe has to pay the VAT himself, but can also offset it at the same time. You can write the usual references to this procedure (e.g. “reverse charge”) on the invoice, but you are not obliged to do so. VAT on sales to private customers (B2C) only applies to physical products or automated digital products (VAT OSS). Examples of this are e-books, video courses, games, music or software, provided these are automatically delivered to customers online.

# ACCOUNTING

## **ACCOUNTING AND REPORTING OBLIGATIONS**

Accounting only needs to be prepared and does not have to be submitted. It is enough to store invoices and receipts digitally and be aware of how much you earn and spend for your business. An American tax advisor is only required for the LLC in exceptional cases.

The LLC has a few bureaucratic obligations that you have to deal with. One of them is done automatically by us, the others can be partially avoided and if not, they don't take up more than an hour of your time per year.

### **Annual Report**

Most states require an Annual Report to be submitted updating your LLC's information. This is linked to the payment of annual state fees. This is automatically taken care of by us. We will remind you well in advance of submitting the report so that you can notify us of any changes (new address/members/managers etc.) or simply confirm that everything can remain as it is.

We collect the annual total fees for your LLC every 12 months after the formation of your LLC, regardless of the annual report.

### **FBAR (Foreign Bank Account Reporting)**

FBAR requires all US persons to report all accounts outside the US to the authorities if they (all combined) exceed \$10,000 at any time during the year. This reporting obligation also applies to US LLCs - but only at the level of the LLC, not for their owners.

This means you only need to file an FBAR form for your LLC once a year if you use a business account with a non-US based bank and have more than \$10,000 (or currency equivalent) there at any time of the year. The FBAR can be submitted online and takes less than 10 minutes to complete. Your personal accounts are not affected and do not need to be reported.

## **Form 5472 (und 1120)**

Because foreign LLC owners are often not required to provide a US tax declaration at all, some information has to be provided once a year using the IRS form 5472. This form looks complicated, but in the end it contains only very basic information. The whole thing shouldn't take much more than 30 minutes of your time.

The completed form is faxed to the IRS along with a zero tax return (Form 1120). This can be done quickly and easily using online fax services. As soon as the deadline for filing Form 5472 and FBAR is approaching, we will inform you every year with an additional detailed information sheet whether you should fill out the form and, if so, how exactly to proceed.

This refers to single-member LLCs, i.e. LLCs with only one owner. LLCs that have multiple owners or a corporate owner may be required to submit additional or different forms.

## **Corporate Transparency Act**

This introduces a transparency register for all direct or indirect owners (Ultimate Beneficial Owner) of a US company, as is already standard in most countries around the world. Owners are exclusively natural persons, not corporations. This register is not public and is maintained by the Financial Crime Detection Authority (FinCen). There are exceptions to the requirement to register here, but these do not apply to non-US residents.

Accordingly the following information will be collected from LLC owners in this registry:

- Names of all individuals with more than 25% ownership or "significant influence" in the LLC
- Date of birth of such individuals
- Business or residential address
- Photo/scan of passport or ID of these individuals

# ACCOUNTING

Since the transparency register is not public, there is no change in terms of anonymity of LLCs regarding the public. The introduction of this register has no impact on the (non-) taxation of the LLC.

As soon as the exact handling of this system is known and becomes relevant, we will of course contact you with further information

# STATE

## **WHICH STATE IS SUITABLE FOR YOUR LLC?**

We can potentially set up an LLC for you in any US state. In Florida we have our own office where your LLC will be registered. Only in Florida, Wyoming or Delaware is it also possible to rent a premium address including a virtual office. These three states are also generally recommended for non-residents the most.

The states differ mainly in their taxes (income tax, corporate income tax, sales tax), which is irrelevant for you as a non-US resident with a Disregarded Entity. The annual fees of the states range from \$0 in New Mexico to \$800 in California. These are always already included in your yearly fees to us.

The only really relevant decision factor besides your own preference and reputation is the legislation of the states with regard to your business model. With normal online services, trade or digital products it hardly makes a substantial difference.

# BANK ACCOUNT

## OPENING A BANK ACCOUNT

Since the LLC is tax-wise treated like a sole proprietorship or partnership, it is possible to use it in conjunction with private bank accounts. The income of the LLC is passed directly to you as the owner and you tax the income privately at your tax residence. The advantage of private accounts is that they are generally easier to open. However, most banks quickly cause difficulties as soon as they realize that you are using a private account for business purposes. This is therefore only recommended temporarily, for example when starting a business.

Any number of business accounts can be opened in the name of your LLC. All members and managers of the LLC usually have to identify themselves with an identity document and provide a private address, some providers also require a utility bill to verify this address. A business account can only be opened after the LLC received its tax number (EIN).

It is important to note that the US banking system is different from the European one. All accounts are principally denominated in USD and Euro accounts are difficult to obtain. There is no IBAN, but the classic SWIFT system. In the US, a lot is still done using checks. In principle, receiving and sending international transfers is possible everywhere, but in some cases it has to be activated separately. Most US banks charge between \$10-20 for incoming transfers and \$30-60 for outgoing transfers. However, the first few transactions per month are often free as long as a certain minimum deposit is maintained.

If you travel in person to personally open an account with a bank in the USA, you generally only need two personal identification documents and the company documents of the LLC.

Recommended online banks with Euro and USD accounts (among many other currencies) are Wise and Payoneer, which LLCs can usually open without any problems. A USD-only account is available from Mercury or RelayFi.



# BANK ACCOUNT

## US bank accounts with [remote opening](#):

There are various providers for opening US bank accounts remotely. These offers come with a certain price, but ultimately save you a flight to the USA. In our experience, however, the chance of a sudden account termination is increased if you open your bank account through intermediary service providers. We would therefore recommend, if possible, to open an account with large US commercial banks yourself in person in the USA.

Before opening, please ask yourself whether you even need a US account. We have many clients who hardly ever use the US account they open. If your business mainly targets European customers, you are probably better served with European online banks. The advantages of the US banks lie primarily in the still comparatively lax KYC procedures, which essentially only require two ID documents to open an account. You often don't need a utility bill, tax number or anything else (depends on the bank).

# PAYMENT

## **PAYMENT SERVICE PROVIDERS**

In principle, the LLC can use all kinds of payment service providers, such as PayPal, Stripe or Gocardless. To use Stripe and similar providers, all you need is a business account with a bank in the USA (online banks are usually sufficient, but a regular account with a full bank is sometimes required).

Paypal also requires a private social security number (SSN) or tax identification number (ITIN) from a manager of the LLC. In addition, PayPal requires the account to be linked to an account with a bank in the USA. Online banks are often not accepted here as a linked account. Since only residents of the USA receive an SSN, the ITIN private tax number is the alternative here. This can be obtained remotely from a partner for \$500. The private tax number does not trigger any personal tax liability in the US. Rather, it gives you the additional opportunity to build up creditworthiness in the USA and use US credit cards in the medium term.

# FORMATION

## WHAT IS INCLUDED IN THE FORMATION OF YOUR LLC

The LLC costs €2000 in the year of formation and €1400 from the 2nd year (billing every 12 months after formation). This price may vary up or down depending on customer situation and needs.

Included in the price of your LLC formation and annual administration is:

- Formation of the LLC in the desired state
- Registered Agent for the current year
- Submission of the Annual Report
- Application for EIN Tax Identification Number
- Ongoing assistance with any questions
- Reminder of and detailed written assistance with Form 5472/FBAR
- Information on online banks/payment service providers
- Real physical office as business address with scan forwarding/mail forwarding (you only pay the shipping fee for physical mail)
- Electronic Articles of Organization
- Initial Resolutions & Operating Agreement (sample PDF)

# SERVICES

## WHAT IS NOT INCLUDED

The following services are not included in a normal formation and must be booked separately at the following costs. These additional costs are completely OPTIONAL and are usually NOT required, but only serve as transparency for later.

Office rental with lease and own address (only in Florida, Wyoming, Delaware, Texas)	800 €
Personal Tax Identification Number (ITIN)	500 €
Legalized Incorporation document	100 €
Apostille for Incorporation document	500 €
Changes to the LLC (name, address, manager, ...)	200 €

In the US you only get digital documents for the LLC by default. Notarized or apostilled paper company documents are generally not required at all, rarely for certain accounts or transactions outside the United States.

A Personal Tax Identification Number (ITIN) is mandatory for Paypal and/or credit building in the US.

# IMPRESSIONS

## IMPRESSIONS OF OUR OFFICE / YOUR BUSINESS ADDRESS

We will send you the business address after registration of your LLC. The location is very central between Miami and West Palm Beach.

These pictures show the office and the conference room.

