



SOVEREIGN CORPORATE SERVICES

ESTABLISH AND SUPPORT YOUR BUSINESS

CONTENTS

ABOUT SOVEREIGN	3
WHAT WE DO	5
CORPORATE SERVICES	6
BANKING INTRODUCTIONS	10
COMPANY SECRETARIAL SERVICES	11
ACCOUNTING AND PAYROLL SERVICES	12
TRADEMARK AND IP SERVICES	14
INSURANCE SERVICES	16
PENSIONS SERVICES	18
CONFIDENTIALITY AND TRANSPARENCY	20
WHATEVER YOUR NEEDS CHOOSE SOVEREIGN	22
CONTACTS	22



ABOUT SOVEREIGN

Sovereign opened its first office in Gibraltar in 1987 and has since grown into one of the largest independent corporate and trust service providers in the world. We currently manage over 20,000 structures for a wide variety of clients – companies, entrepreneurs, private investors or high net worth individuals (HNWIs) and their families – and have assets under administration in excess of £20 billion.

We have a network of offices or agents in all major international finance centres.

This enables us to provide local expertise whilst allowing our clients to access a global service from a local office. It also means that in most cases business can be conducted in the client's first language.

In all jurisdictions that require us to be licensed, we hold the appropriate authorisations. To obtain these licences Sovereign has demonstrated financial stability, probity, the professional competence, expertise and integrity of our staff and the robustness of its systems.

20+

international offices

20,000+

structures

£20B

assets under
administration





WHAT WE DO

Sovereign offers company and trust formation and management in all major jurisdictions, together with comprehensive advice and support to assist companies of all sizes to establish business operations successfully in foreign markets.

We also provide the on-going administrative support to maximise opportunities and achieve long-term sustainability, from full back-office services to assistance with tax and regulatory compliance. This includes accountancy, human resources, pensions, insurance, trademark and intellectual property protection, obtaining local licences and permits, executive relocation and specialist tax advice.

First and foremost Sovereign needs to understand your company's requirements, strategies and goals. We will never recommend any structure that would not be effective if scrutinised by regulators and tax authorities, either in foreign markets or in your home jurisdiction. Sovereign provides progressive solutions that will work both legally and practically.

This brochure is intended as a general guide only. We would always encourage prospective clients to contact their most convenient Sovereign office for an initial consultation. This will be given without fee or commitment. Should you choose to proceed, we will provide accurate time and cost estimates before undertaking any work on your behalf.

Please also visit our website at SovereignGroup.com. You will find updates to this information together with many other items that may be of interest. You may also wish to subscribe to our newsletters and social media channels.



SovereignGroup.com

CORPORATE SERVICES

Incorporation is the legal process used to form a corporate entity or company. A corporation is a legal entity that is separate from its owners, with its own rights and obligations and is the most widely used legal vehicle for operating a business.

Incorporation provides many advantages for a business and its owners: protection from personal liability for business debts, improved access to financing for business activities, simple transfer of business ownership through the disposal of shares and increased potential for tax planning through access to corporation tax rates and international tax treaties.

Companies can be formed in nearly all countries in the world. The legal procedures for formation and organisation differ from jurisdiction to jurisdiction but most have certain elements in common: drafting the 'Articles of Incorporation' that list the primary purpose of the business, selecting the name and location and, if appropriate, the number of shares and class of stock that are issued. Incorporation also involves jurisdiction-specific registration information and fees.

A company itself may be viewed as a commodity but the necessary advice – how to use it and how to ensure that it is managed and structured correctly – is most certainly not. It may be relatively straightforward to set up or purchase a company but to gain and sustain

competitive advantage and successfully manage growth, proper groundwork and execution are essential.

It is essential to receive advice on:

- **The type of company best suited to your commercial purpose**
- **Arranging the ownership of that company**
- **Administering the company correctly and**
- **Managing its commercial arrangements**

Every case is different and a high level of expertise is required to ensure that any advice is up-to-date, effective and fully compliant. Failure to structure and manage a company correctly could mean that intended objectives and benefits are not realised or could lead to unintended consequences and liabilities.

With over three decades of experience handling cross-border corporate and commercial matters, Sovereign's corporate services include forming new corporate structures, reorganising existing structures and repatriating earnings.

We also offer the necessary expertise in administering and managing companies, including company law, board procedures, director responsibilities and shareholder relations, and financial and corporate compliance requirements. This will enable a company's owners to focus on the primary business.

WHERE TO INCORPORATE?

In today's global marketplace, business success increasingly requires active trading participation in foreign markets. Emerging companies typically operate in rapidly evolving industries where expertise, speed and efficiency are rewarded.

Modes of entry may vary – Internet, exporting, licensing, commercial agents, distributors, strategic alliances, joint ventures, overseas manufacturing or sales subsidiaries – but international expansion will inevitably involve unfamiliar legislation, regulations and processes, as well as creating international legal and tax considerations.

Whether you are doing business in Europe, Asia, Africa, the Middle East, the Americas or elsewhere, Sovereign will set up the best trading structure for your business. We will assist you to select the most effective and efficient legal entity, and will then form and register that entity in line with local laws and regulations.

TRADING COMPANIES

Companies wishing to expand their trading activities into new territories will often consider the establishment of a Representative Office (RO) or Branch instead of incorporating a new company. An RO provides a presence in a foreign country but only the ability to engage in promotional activities, while a Branch will further permit core activities and sales to be undertaken. Neither is a distinct legal entity, however, so the parent company remains liable for any legal obligations.

However if incorporating a new company is preferable, a Subsidiary or a Joint Venture (JV) may be appropriate. A Subsidiary is an entirely separate legal entity created specifically for business overseas. This is generally more tax efficient and offers legal protection between the overseas company and its parent company.

A JV is also a separate legal entity that requires a joint investment with a local company. It is not however a permanent structure and could be dissolved if the original agreements between the parties involved cease to have effect.

HOLDING COMPANIES

Multinational companies may decide to establish a holding company as an efficient way of managing a group of subsidiaries in a particular region. This allows financing, licensing and management activities to be centralised, preferably in a politically and legally stable environment. It may also offer tax advantages in relation to capital gains and withholding taxes on dividends.

Choosing a suitable location for a holding company will involve consideration of business, logistical and operational requirements. The tax system will also be relevant in respect of the:

- Effective tax rate for income and gains
- 'Economic substance' requirements
- Withholding tax rates in respect of dividend, interest and royalty payments
- Size and quality of the tax treaty network

NON-RESIDENT COMPANIES

Sovereign will assist clients to choose the most suitable and tax-effective international corporate structures. The term 'offshore' has been much in the news recently and generally in a negative way. An 'offshore structure' – companies, partnerships, funds or trusts – can be located in an international financial centre (IFC), but to avoid being taxed onshore it must generally be managed and controlled from that IFC as well.

A so-called 'offshore structure' is therefore simply a non-resident or overseas entity. It could be incorporated in an IFC such as the Isle of Man but equally it could be incorporated in a leading industrial economy such as the UK or US. Setting up or using a non-resident entity is perfectly legitimate and has many commercial and private purposes that are economically advantageous – as JVs, financing special purpose vehicles (SPVs), stock market listing vehicles, holding companies and asset holding structures, cross-border investment or trading vehicles.

There may be tax advantages but, in many cases, tax may not even be a consideration. Non-resident structures may offer a more secure and stable legal platform because they are governed by a reputable law system. They may be used to operate a business in another country or to separate a domestic business from an overseas subsidiary. They may facilitate the diversification of investments or, where investments are spread across many countries, they may be used to simplify administration. They may provide a means to eliminate forced heirship rules or probate in the country where an asset is based.

In other words, non-resident structures can offer a wide range of practical advantages but they do not change the tax or reporting obligations of owners or investors in either the country of incorporation or their country of residence.

Sovereign has always contended that any planning that relies on non-disclosure should not be regarded as planning at all. Moreover there are a number of international initiatives (see page 20) that, when fully implemented, will make non-disclosure irrelevant. This will not concern structures and arrangements that are legally and fiscally compliant and correctly reported.

DOMICILIARY SERVICES

A company will be required to maintain a minimum presence in its place of incorporation – a registered office and a resident company secretary and/or a resident agent. We generally provide these services for all our clients and describe them as 'domiciliary services'.

As your local representative, Sovereign will help maintain your company's good standing in accordance with local requirements by:

- **Provision of a registered address**
- **Receipt and handling of mail**
- **Provision of company secretarial services (see page 11)**

DIRECTOR SERVICES

Sovereign also provides directors for many of the companies that we incorporate in order to ensure that their affairs can be properly managed and controlled from their place of incorporation. This service is often combined with our other company management and/or our domiciliation services.

Sovereign directors are experienced and knowledgeable individuals. Before appointment we need to have a thorough and comprehensive understanding of the company and its business so they can properly exercise independent judgment.

PROPERTY, IMMIGRATION AND RELOCATION SERVICES

A key decision for companies seeking to enter a new market in particular will be the provision of adequate business accommodation on the right terms, including but not limited to price. Sovereign has developed key relationships over many years with real estate firms around the world and can assist from the outset at this vital planning stage. Similarly, Sovereign is able to assist with immigration, visas and permits and help find suitable housing for key personnel, senior executives and their families.



BANKING INTRODUCTIONS

All companies require a bank account but opening accounts is becoming increasingly difficult due to international transparency and anti-money laundering initiatives (see page 20). Many banks will no longer open accounts for non-resident companies. Others will only open accounts for companies that have been introduced by a recognised and licensed service provider that is on their 'approved list'.

All banks now undertake increased due diligence – not just when opening accounts but also on a transactional basis. Account opening procedures differ widely between banks, sometimes even between different branches of the same bank. Applications can be complicated and documents often have to be certified or notarised and translated.

Sovereign has longstanding relationships with many banks around the world and it is strongly recommended that we assist with bank introductions and the preparation and submission of the necessary documentation. Clients are, of course, free to choose their own banks but generally an account can be opened more quickly and on better terms at banks known to, and recommended by, Sovereign.

Sovereign cannot accept responsibility for the stability or solvency of individual banks. An introduction by Sovereign should not be taken as an endorsement of the bank or any guarantee that an account application will be successful.



COMPANY SECRETARIAL SERVICES

A company secretary is the most senior administrative officer of a private or public company or organisation. Their role is to ensure that the company complies with all standard financial and legal requirements, as legislated in the jurisdiction of incorporation.

The risks of non-compliance with local regulations are considerable, with the potential for harsh consequences for organisations and individuals. It is essential to know that your entities, wherever they are located around the world, are in good standing, that business decisions are accurately implemented and that necessary changes can be effected in a straightforward and timely manner.

As company secretary, Sovereign will take responsibility for:

- **Maintaining the company's records**
- **Preparing and filing of returns with the local registry**
- **Issuing reminders of accounting deadlines**
- **Providing access to the company's records**
- **Routine changes such as a change in director**

In addition we can offer board assistance and support in respect of: taking records of board and committee meetings, scheduling of meetings, setting of agendas and the circulation and the delivery of papers for a meeting, the arrangement and implementation of share transfers and changes in shareholding, or dividend distributions and capital contributions.

Finally, we can assist with the dissolution and liquidation of entities that are dormant or no longer required, whether it be the closure of a single entity or the closure of multiple branch and representative offices and companies across a range of jurisdictions.

The need to maintain and document compliance with statutory corporate obligations is obvious, but the administrative burden can be overwhelming, especially if you are unfamiliar with the rules and regulations in a foreign jurisdiction. Sovereign's company secretarial services will make the process as simple and as straightforward as possible, allowing the directors to focus on what they do best – running a business.

ACCOUNTING AND PAYROLL SERVICES

ACCOUNTING

Bookkeeping and accounting are integral components of any business. Bookkeeping services will ensure that reliable and accurate books are kept for your company, enabling you to make informed decisions promptly in order to minimise risks and maximise profits. An effective accounting system can have a significant impact on a company's productivity as well as its profitability.

Companies incorporated in onshore jurisdictions will generally have to prepare and file accounts. Often these accounts must also be audited. In many IFCs there is a requirement under local company legislation that directors should prepare accounts and present them to the shareholders at the Annual General Meeting. However, where there is no tax to be assessed on the profits of the company, there is rarely a requirement to present the accounts to any government authority or file them on the public register.

Sovereign can either offer in-house bookkeeping and accounting services or can recommend a range of accountancy firms that we work with closely.

By outsourcing your accounting facility, you will reduce internal operational costs and allow yourself more time and resources to focus on value-added and revenue generating tasks. A high level of accuracy will also eliminate delays and administrative errors, as well as helping to avoid potential fines and penalties.





PAYROLL

Companies, wherever they are based, must pay the salaries of their employees in a timely manner. They must also ensure their income tax and social security compliance in terms of withholding, calculations and reporting. Every country's employment and tax system is different.

Any organisation entering a foreign market faces a number of employment and tax related challenges. By outsourcing your payroll you can free up your valuable time and resources to concentrate on the important business of running your company while making certain that all obligations and responsibilities are met in a timely and efficient manner in every jurisdiction of operation.

Sovereign can provide a comprehensive but flexible outsourced payroll service that is tailored to each client's specific requirements. The first stage will involve registering the employer and its employees with the local tax office and the government employment department, recording employment notices and contracts, obtaining bank details of the employer and employee, issuing tax codes and, finally, inserting all that information in the Sovereign payroll system.

Thereafter, on a monthly basis, Sovereign's payroll services will facilitate:

- **Computing employees' withholdings and net pay**
- **Ad hoc additional payments or deductions**
- **Producing and issuing employee pay slips**
- **Direct deposit pay into employee bank accounts**
- **Expenses and benefits processing and compliance**
- **Arranging documentation for new or departing employees**
- **Preparing revenues payable and remittance submissions to tax office**

Year-end procedures will also encompass the preparation of tax returns for both the employer and employees and compiling payroll accounting records for the employer.

In addition, through Sovereign's wider offering, we are able to provide private medical insurance and occupational pensions plans, which can be integrated into the payroll services system.

Irrespective of whether you are a small organisation taking your first steps in international expansion or an existing multinational company, Sovereign's payroll expertise and experience across many jurisdictions can ensure that you maximise the efficiency of your operations and remain in compliance with all local legislation and regulation.

TRADEMARK AND IP SERVICES

The Intellectual Property (IP) associated with a business name or system can be one of its most valuable assets – but only if it is properly exploited and protected. Any business that wishes to establish a national or international identity should take steps to protect the use of its name, logo or other IP. This is preferably done at the outset when it is simpler, more efficient and more effective.

It is commonly assumed that registering a company name or website is sufficient to protect that name. While this may afford some protection if nobody else has registered a similar trademark, it rarely gives any protection if they have. And if somebody registers a similar trademark later, there may be difficulties in continuing to use that company name or website. The general rule is “trademark it, or lose it”.

Trademarks are the most cost effective way for businesses to protect their name, products and reputation overseas. Failure to obtain a trademark in a country where you are active or plan to be active means you are exposing your business to commercial risk. Every country has its own rules to manage and register trademarks, and we will work within those rules to protect your business.

Sovereign has established an intellectual property division that offers the following services:

- **Registration of trademarks anywhere in the world and advice on a suitable trademark programme**
- **Monitoring service to advise when others attempt to register similar marks**
- **Advice in relation to all aspects of IP registration including designs, patents and copyright**
- **Advice and assistance to protect IP rights from infringement and other abuse**
- **Patent and petty patent registration**
- **Domain name registration and escrow services**

Sovereign can provide cost effective advice to clients on the acquisition, exploitation, use and enforcement of intellectual property rights on both a domestic and cross-border basis. We can also provide strategic advice to both established and developing companies.

A black and white photograph of a stack of books. The top book is open, and a pen is resting on its pages. The words 'COPYRIGHT', 'PATENT', and 'LICENSE' are overlaid on the spines of the books in the stack.

COPYRIGHT

PATENT

LICENSE

INSURANCE SERVICES

Many companies today face a significant challenge in maintaining legal and tax compliance in the face of rapid change to regulatory and fiscal regimes at both the national and international level. Today's requirements in respect of due diligence, transaction monitoring and regulatory and tax reporting, have created serious cost and operational implications for companies seeking to understand, manage and improve their governance programmes.

At the same time, evolving criminal methodologies have also seen cyber fraud emerge as the biggest potential risk for serious business disruption and its consequent expenses, reputational harm, and notification and response costs.

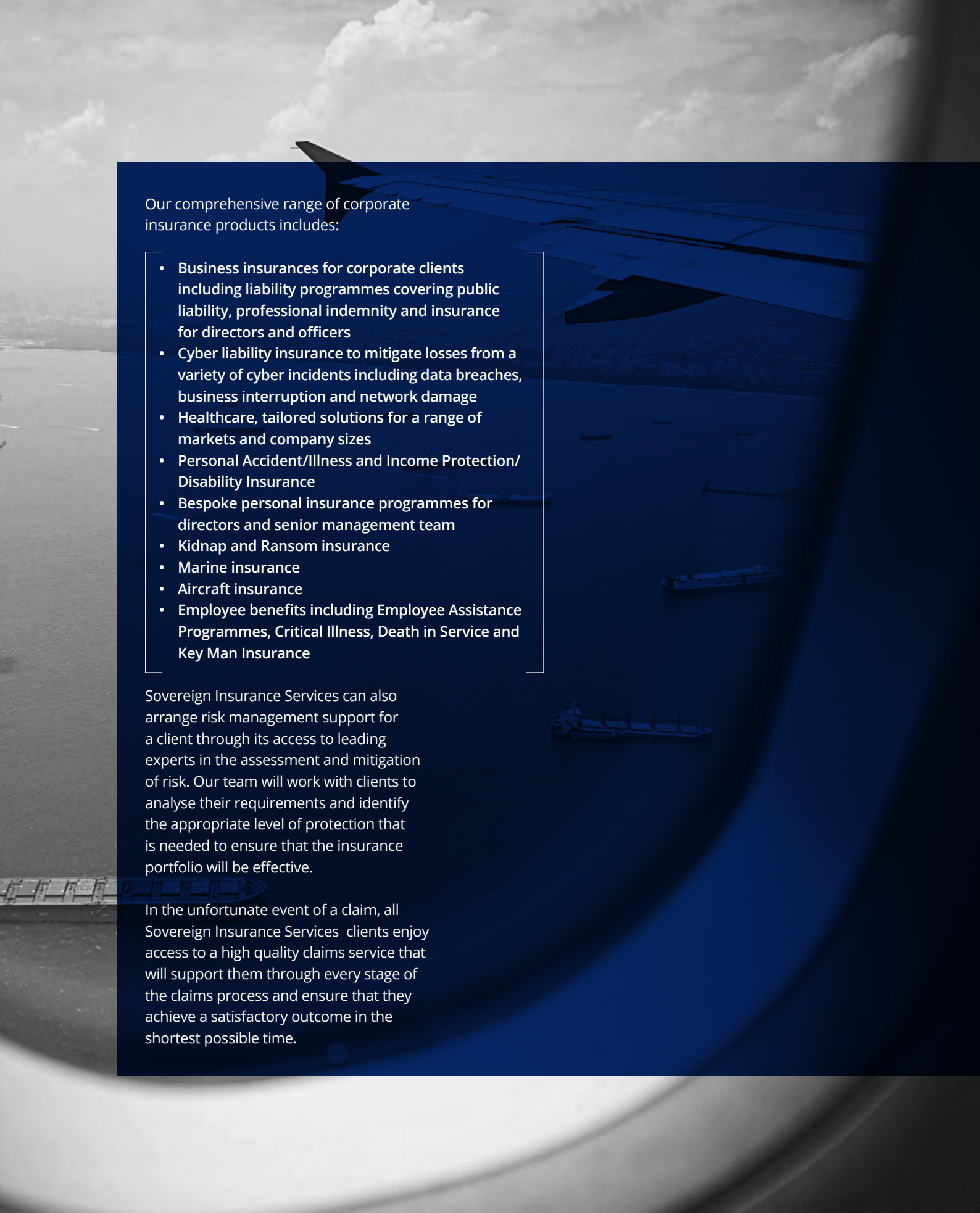
This increased complexity has intensified the need for companies to manage and update risk policies faster and more accurately, enabling rapid identification and response to the highest priority compliance and fraud threats. Insurance, as part of a carefully designed and integrated risk management strategy, is one of the most effective ways to manage corporate risk and create a risk-free environment in which commercial activity can flourish and a company's assets are fully protected.

An effective risk management strategy will:

- **Provide protection against legal or financial liability claims arising from direct or indirect causes**
- **Give shareholders and customers confidence in the operational stability and reliability of the firm**
- **Save resources in respect of time, assets, income, property and people**
- **Protect reputation and public image**
- **Protect people and the environment from harm**

A risk management strategy should also clearly identify a firm's insurance needs and be mindful that a company can be held directly responsible for the actions of its employees, directors and officers. In an increasingly litigious world, customers are more aware of the options available to them if a company's products or services do not match their expectations. In addition, any company providing professional advice – even when no charge is made for that service – can face legal action if an unfavourable outcome ensues.

For all these reasons, a carefully structured insurance portfolio that provides full protection for a firm's assets and operational capabilities is essential. Sovereign Insurance Services has developed strong relationships with a network of leading insurers and partners around the world, which enables it to provide market-leading expertise on an international scale.



Our comprehensive range of corporate insurance products includes:

- Business insurances for corporate clients including liability programmes covering public liability, professional indemnity and insurance for directors and officers
- Cyber liability insurance to mitigate losses from a variety of cyber incidents including data breaches, business interruption and network damage
- Healthcare, tailored solutions for a range of markets and company sizes
- Personal Accident/Illness and Income Protection/ Disability Insurance
- Bespoke personal insurance programmes for directors and senior management team
- Kidnap and Ransom insurance
- Marine insurance
- Aircraft insurance
- Employee benefits including Employee Assistance Programmes, Critical Illness, Death in Service and Key Man Insurance

Sovereign Insurance Services can also arrange risk management support for a client through its access to leading experts in the assessment and mitigation of risk. Our team will work with clients to analyse their requirements and identify the appropriate level of protection that is needed to ensure that the insurance portfolio will be effective.

In the unfortunate event of a claim, all Sovereign Insurance Services clients enjoy access to a high quality claims service that will support them through every stage of the claims process and ensure that they achieve a satisfactory outcome in the shortest possible time.

PENSIONS SERVICES

CORPORATE PENSION SCHEMES

Employee benefit packages are a vital consideration for any employer who wishes to attract and retain the best talent, as well as maintain a loyal and committed workforce. One of the main components of any employee benefit package is corporate pensions or savings provision. Most employees now regard retirement provision as a key part of their remuneration package.

Companies undertaking specialist activities, or operating from certain regions such as the Middle East or Asia, invariably recruit a high proportion of their workforce from overseas. The relocation, orientation and training of expatriate employees requires considerable investment from the employer, making staff retention all the more important.

Any business must also be aware of local employment law wherever they have a presence and need to ensure that any employee benefit obligations are met. Sovereign has extensive experience in designing and operating corporate pension schemes. Our clients range from large international businesses to smaller firms just starting out.

Sovereign will work with the sponsoring employer to design an employee benefit plan to meet that company's specific requirements. An important aspect of any employee benefit plan is its constitution.

Sovereign offers trust-based solutions in which the assets of the plan are held in trust for the beneficiaries (the employees). The advantage of this approach is the legal separation of the plan's assets from those of the sponsoring employer. This provides an additional layer of comfort to employees and protects the plan from any party seeking to lay claim to the assets of the business.

The trustee of the plan will be one of Sovereign's fully licensed and regulated or registered professional trust companies in jurisdictions such as Gibraltar, Guernsey, the Isle of Man, Malta or Hong Kong. This ensures professional management of the pension scheme within a robust regulatory framework.

To assist in the drafting process, a Sovereign consultant will liaise with the sponsoring employer to discuss the rules for the scheme, including eligibility, contribution levels and investment options. Sovereign will provide details of investment managers such that the employer can make an informed choice as to the preferred manager. The members may choose to switch between investment strategies periodically, typically every six months, should their risk appetite change.

Sovereign's team of experienced consultants is on hand to assist throughout the process, from design through to implementation. This includes building solutions to interact with end of service gratuity obligations, or stand-alone arrangements if preferred.

Sovereign also offers individual portable pension arrangements for internationally mobile employees and senior staff (see below).

END OF SERVICE (EOS) GRATUITY SCHEMES

Companies operating in the Middle East are usually obliged to offer their staff an end of service gratuity payment when they leave the company. The level of gratuity is based on the individual's salary and length of service and is payable as a lump sum. Gratuity rules and terminology vary around the Gulf Cooperation Council (GCC) region, but generally operate in a similar fashion.

Many employers choose not to invest or plan for their end of service gratuity obligations and this can lead to cash flow problems when staff turnover is higher than anticipated, or if the business lacks liquidity at the time of payment.

Sovereign's Gratuity Offset option allows the sponsoring employer to save towards their end of service gratuity liability through an employee benefit plan. Over the longer term this provides a more efficient means of funding gratuity liabilities.

It should be noted that this structure does not remove the employer's end of service gratuity obligation, but it does provide a formal and efficient means of funding the liability.

PORTABLE INTERNATIONAL PENSION PLANS (IPPS)

Companies are employing more long-term expatriates than ever before. Often these internationally mobile employees are experienced, senior and highly qualified individuals, who may have more specific employee benefit requirements.

Sovereign offers a number of individual solutions in cases where there is no suitable home or host-country retirement plan. International Pension Plans (IPPs) offer a single plan to employees irrespective of where they are based, allowing for regular, consistent contributions.

Portable IPPs can be set up on an individual or group basis. These trust-based solutions are ideal for the internationally mobile employee and permit investment into more esoteric assets alongside conventional investment funds. Companies can also take advantage of the flexibility of IPPs to top up existing retirement savings, particularly for senior employees or for expatriates working in locations where retirement plans are mandatory and benefits may be lower than any home-country plan.

By implementing an IPP, an individual's retirement benefit accumulation can be protected from any negative impacts of their assignment. Group IPPs help to create a globally attractive and competitive benefits package that can be simpler to administer and monitor than running multiple plans.

CONFIDENTIALITY AND TRANSPARENCY

Generally, in all countries that follow English common law there is an implied duty for management companies, bankers and other professionals to keep their clients' affairs confidential. In some countries this common law duty may be supplemented by local legislation that imposes criminal penalties on those who breach confidentiality or attempt to get others to do so.

The extent of mandatory disclosure varies between different jurisdictions. In some countries there is a requirement to file details of the directors, shareholders and secretary of a company on a public register, but in other countries only minimal public disclosure is required.

Confidentiality, of course, is very different from secrecy. In the past two decades there have been a number of international initiatives, listed opposite, that are designed to increase transparency. When fully implemented, these initiatives will see 'secrecy' disappear completely but this will not concern companies whose structures and arrangements are legally and fiscally compliant.

This does not mean that international structures can no longer provide efficiencies. They can. Legitimate planning that utilises compliant structures has always been and remains effective. Expert

advice is essential not just to ensure the correct planning but also to demonstrate that you have taken care to achieve tax compliance. Anyone with concerns over their existing arrangements would be well advised to contact their nearest Sovereign office for a review.

KNOW YOUR CUSTOMER (KYC) PRINCIPLES/DUE DILIGENCE

The Financial Action Task Force (FATF) developed a series of Recommendations that are recognised as the international standard for anti-money laundering (AML) and combating the financing of terrorism (CFT). First issued in 1990, the FATF Recommendations have been revised to ensure that they remain up to date and relevant, and they are intended to be of universal application. As a result, all corporate and trust service providers and financial institutions have a statutory duty to implement KYC procedures for all clients, new and old. Clients must expect to supply proof of identity, proof of residential address and references. They must also explain the source and business purpose for any substantial movement of funds. Compliance with these standards brings additional costs and inconvenience but is entirely unavoidable. KYC is now mandatory under local and international regulations and/or laws.

AUTOMATIC EXCHANGE OF INFORMATION (AEOI)

- OECD Common Reporting Standard (CRS)

At the G20 summit in 2013, the world's 20 largest economies mandated the OECD to create a single global standard for the automatic exchange of information. The CRS provides for annual automatic exchange between governments of financial account information, including balances, interest, dividends and sales proceeds from financial assets, reported to governments by financial institutions and covering accounts held by individuals and entities, including trusts and foundations. As of May 2016, over 100 jurisdictions around the world had committed to implement the CRS; more than 50 began first exchanges in 2017, with the remainder to following in 2018.

- US Foreign Account Tax Compliance Act (FATCA)

FATCA, which was enacted in 2010 and came into effect in 2014, is designed to target non-compliance by US taxpayers using foreign accounts. It requires foreign financial institutions (FFIs) and certain other non-financial foreign entities to report information to the IRS, either directly or via their local revenue authority, about financial accounts held by US taxpayers, or held by foreign entities in which US taxpayers hold a substantial ownership interest. If not, they will be subject to withholding on withholdable payments. FATCA compliance will differ depending on whether or not an FFI is in a country with an intergovernmental agreement (IGA) with the US. There will be further differences according to the type of IGA – Model 1 or Model 2 – and whether the IGA has provisions requiring US reciprocity.

- Base Erosion and Profit Shifting (BEPS)

In 2013, the G20 leaders adopted an OECD Action Plan for the prevention of BEPS, which is designed to ensure that tax administrations obtain a complete understanding of how multinational enterprises (MNEs) structure their operations. The Multilateral Competent Authority agreement for the automatic exchange of Country-by-Country reports (CbC MCAA) allows signatories to bilaterally and automatically exchange CbC reports. CbC reporting will require MNEs to provide aggregate information annually, in each jurisdiction where they do business, relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group.

BENEFICIAL OWNERSHIP

In April 2016, the UK, Germany, France, Italy and Spain announced a pilot scheme to exchange beneficial ownership information relating to “companies, trusts, foundations, shell companies and other relevant entities and arrangements”. It will be exchanged “in a fully searchable format” and will include “information on entities and arrangements closed during the relevant year”. The exchange is to operate as a pilot, during which participating economies will explore the best way to exchange this information with a view towards developing a “truly global common standard”. Ultimately, the system should develop into one of “interlinked registries containing full beneficial ownership information”.

WHATEVER YOUR NEEDS – CHOOSE SOVEREIGN

Sovereign has been involved with the set-up and administration of an estimated 20,000 structures worldwide since 1987. We now employ, directly, well in excess of 500 trained and experienced staff throughout the world, and there are many more staff working in our joint ventures and managed operations.

We have established a compelling, specialist offering in the provision of corporate services that few of even the largest international legal or accountancy firms can match. The depth and breadth of this offering means we have built up a huge reserve of in-house knowledge, expertise and experience. There is very little that we haven't seen before and there are few areas where we cannot be of help.

This brochure sets out our core specialisations but there is much more we can do to help and we would be delighted to do so. If we can't assist our clients with an aspect of their business or personal affairs, we will almost certainly know someone who can. So whatever your need, just ask and we will do our best.

CONTACTS

ASIA

HONG KONG

Tel: +852 2542 1177
hk@SovereignGroup.com

SINGAPORE

Tel: +65 6222 3209
sg@SovereignGroup.com

CARIBBEAN

BAHAMAS

Tel: +1 242 322 5444
bh@SovereignGroup.com

EUROPE

CYPRUS

Tel: +357 25 733 440
cy@SovereignGroup.com

GIBRALTAR - TRUST & PENSIONS

Tel: +350 200 76173
gib@SovereignGroup.com

GIBRALTAR - MARINE SERVICES

Tel: +350 200 51870
ray@SovereignGroup.com

**GIBRALTAR - INSURANCE SERVICES**

Tel: +350 200 52908
sis@SovereignGroup.com

**GIBRALTAR -
WEALTH MANAGEMENT**

Tel: +350 200 41054
sw@SovereignGroup.com

GUERNSEY - TRUST & PENSIONS

Tel: +44 1481 729 965
ci@SovereignGroup.com

**ISLE OF MAN -
TRUST & PENSIONS**

Tel: +44 1624 699 800
iom@SovereignGroup.com

MALTA - TRUST & PENSIONS

Tel: +356 21 228 411
ml@SovereignGroup.com

PORTUGAL

Tel: +351 282 340 480
port@SovereignGroup.com

SWITZERLAND

Tel: +41 21 971 1485
ch@SovereignGroup.com

UNITED KINGDOM, LONDON

Tel: +44 20 7389 0555
uk@SovereignGroup.com

UNITED KINGDOM, CHESTER

Tel: +44 151 328 1777
ukcorporate@SovereignGroup.com

MIDDLE EAST & AFRICA**BAHRAIN**

Tel: +973 1777 2011
bahrain@SovereignGroup.com

MAURITIUS

Tel: +230 244 3210
mu@SovereignGroup.com

OMAN

Tel: +968 2 447 6213
info@proptnrgroup.com

QATAR

Tel: +974 4478 8765
info@vpqatar.com

SAUDI ARABIA

Tel: +966 114 537 7096
ksa@SovereignGroup.com

SOUTH AFRICA

Tel: +27 21 418 2170
sact@SovereignGroup.com

**UNITED ARAB EMIRATES,
ABU DHABI**

Tel: +971 2418 7640
ad@SovereignGroup.com

UNITED ARAB EMIRATES, DUBAI

Tel: +971 4 270 3400
dubai@SovereignGroup.com



SovereignGroup.com

SovCS/18/24092024

Whilst every effort has been made to ensure that the details contained herein are correct and up-to-date, this information does not constitute legal or other professional advice to clients or third parties. We do not accept any responsibility, legal or otherwise, for any loss, error or omission occasioned directly or indirectly as a result of persons acting, or refraining from acting, wholly or partially in reliance upon it.

© Sovereign Media (IOM) Limited 2024