

Procedure for incorporating a company

Timeframe: 24 Hours

Investors who need to incorporate a company should seek the assistance of a local licenced service provider. The local licenced service provider will be responsible for preparing notarized company statues to be delivered to the Registrar of Companies along with the prescribed fees. Once the Registrar of Companies is satisfied with the documentation, a certificate of incorporation will be issued to the company.

Company law: The Companies Act, 1996 (No. 22 of 1996)

Types of company:

The Companies Act makes provision for the formation of Ordinary Companies and Exempt Companies. Both types of company may be limited by shares or by guarantee, or by both shares and guarantee (Hybrid Companies). The Exempt Company (which is not subject to income, capital gains or withholding taxes in St. Kitts as long as it conducts business with persons who are not resident in St. Kitts and Nevis) is the type of company preferred for international transactions.

Capital requirements: There are no minimum capital requirements.

Costs to incorporate, excluding government fees:

The cost to incorporate a company in St. Kitts varies according to the service provider. There is no specific fee set by the Government of St. Kitts.

Fees paid to the government authority to incorporate are as follows:

- A. In the case of a private company which is: - an ordinary company USD100 - an exempt company USD200
- B. In the case of a public company which is: - an ordinary company USD300 - an exempt company USD600

Annual fees paid to authorities: *Same as above*

Taxation rates applied to companies generally:

Exempt Companies are exempted from all income, capital gains and withholding taxes in the jurisdiction, provided that they conduct business exclusively with persons who are not resident in St. Kitts and Nevis. Ordinary Companies are subject to an income tax at the rate of 35%.

Method of incorporation:

Memorandum and Articles of Incorporation, as well as a statutory statement providing the particulars outlined in the Companies Act, must be provided to the Registrar of Companies along with the incorporation fee, in order for a company to be incorporated.

Who may incorporate – are any local professionals required?

Companies or individuals authorised to carry on corporate business or trust business under the Financial Services (Regulations) Order, 1997 may incorporate companies on behalf of other persons.

Minimum number of members:

A minimum of one member is required for the formation of a company.

Registered Office:

The Registered office of a company may be at the authorised person's office or the company's place of business.

Directors and secretary:

- a) Must there be a resident director/ secretary? In a case where the company is a private ordinary both Directors and Secretary are required. In instance where the Directors are foreigners, the secretaries and agent should be local.
- b) Are Corporate Directors allowed? Yes
- c) Is a local registered agent required? Yes
- d) Are Appointee directors/ secretary possible? Alternate or appointee directors are possible. An appointee secretary is also possible.

Amount of fees payable to appointee directors/ secretary:

The fees that are payable to appointee directors or secretaries are determined by each individual company. There is no particular amount specified in legislation.

Annual Meetings:

A public company must have an annual general meeting. The members of a private company may waive the need to hold general meetings by agreement in writing.

Annual Returns

All companies must file an annual return. Financial statements of all public companies and all companies engaged in finance business must be audited.

Financial statements, including the disclosure of profits must be filed for all public companies and for all companies engaged in finance business. Private exempt companies, which are not engaged in finance business, need not file financial statements.

Exchange Controls

Approval for the conversion of ECD270,000 (equivalent of USD100,000) into any foreign currency is required from the Ministry of Finance. Companies holding foreign currency accounts in St. Kitts are not affected by this requirement.

Is migration of companies into and out of the jurisdiction permitted?

There are re-domiciliation provisions under the Companies Act, which provide for companies to migrate from jurisdictions to St. Kitts.

Can LLCs (US-style Limited Liability Companies) be formed? **Yes**

