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### Why go Offshore

People use **offshore corporations** and foundations for several reasons including **Offshore Asset Protection**, Confidentiality, Privacy, **Tax Minimization**, Investment Diversification, **International Trade, Estate Planning**, and much more. A carefully designed corporate strategy using a **Panama Corporation** and/or **Private Interest Foundation** can assist you with each of the above mentioned areas.

### Asset Protection

**Offshore Asset Protection:** By transferring your assets to a Panama Corporation and/or Foundation, you are automatically protecting your assets to the fullest extent. Without **asset protection**, you could suddenly lose everything you've worked so hard for. We live in a "litigious society", but do you know what that means to you? Lets take a look:

- 9 out of 10 lawsuits in the world are filed in the United States. The US has the highest rate of lawsuits in the world, followed by the UK, Canada, Australia, and New Zealand.

- A new lawsuit is filed every 30 seconds in the US. It is estimated that there are over 100,000 law school students in US law schools right now.

- If you own a business or practice a profession, you have one chance in three of being named a defendant in a lawsuit in the next year, and it is only getting worse.

### Why you must act NOW to protect yourself:

Many people are completely unaware of one important legal fact of life...

Once someone files a lawsuit against you - or makes any other type of claim on your assets - it's too late to try to protect your wealth, 'get rid of it,' or move it offshore. (To do so is called "fraudulent conveyance" or "concealment of assets" - crimes in themselves.)

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#### REFERRAL PROGRAM

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That means, if you wish to protect yourself, you have to act now, before it is too late. You must move your wealth offshore ahead of time for your asset protection plan to do any good. If you wait until you're facing trouble, you will certainly be out of luck.



#### EXCLUSIVE PACKAGES

**Check Out Our Exclusive Corporate Package Offers**



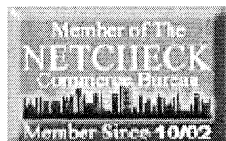
**ORDER NOW**

If you quietly and inconspicuously move a portion of your wealth to a private, offshore corporate account, it can be virtually out of reach from anyone who might try to seize everything you own, whether it be a lawsuit or even a governing authority who decides to freeze your assets.

This is where your **private offshore corporation** and **offshore bank account** can come in very handy. Your **private corporate account**, held by a foreign bank in a country with the strongest **bank-secrecy** laws on earth is truly the **best asset protection** you'll find.

#### CLIENT SECURITY

##### Members of



You could be left penniless and in debt by any of the following:

- A negligence or injury claim, whether justified or not, that exceeds any insurance coverage you may have.
- Breach of contract through no fault of your own.
- A professional malpractice lawsuit.
- Lawsuits from disgruntled business partners or employees.
- Divorce.
- Huge fines for violating state or federal law due to actions of an employee.
- Claims from creditors if your business should fail.
- Catastrophic medical bills.
- Seizure of your home or other assets without due process by the customs or other government agencies with forfeiture power, including the IRS seeking federal income tax collections and other income tax debts..
- A huge federal income tax bill and escalating penalties following an IRS or Revenue tax audit.

**Quote:** *"I thought I had it all - a beautiful home for my family, the car I had always wanted, a growing portfolio of investments, children in excellent schools, dream vacations with my wife, etc. But that all changed when I was served with process naming me as a Defendant in a huge lawsuit. It didn't matter that I was convinced that I had done nothing wrong. I lost everything I had. I still owe my attorney for the legal costs."* - Terry James, LA.

#### Confidentiality & Privacy:

Many people move assets by creating a company offshore simply because they are tired of intrusion into their financial privacy in their home countries. Today, citizens from the US, Canada, UK, Australia, New Zealand, and many other countries have

zero privacy in their financial affairs, spending patterns, medical records, etc. One of the main reasons that Panama is one of the most popular jurisdictions to incorporate offshore is because Panama offers the utmost in privacy and confidentiality.

**IBC ( International Business Center )** is another way of describing an **Offshore Corporation**. An **IBC Bank** account provides an additional shelter and **asset protection** worldwide.

- Panama offers the best **bank secrecy laws** in the world with an **Offshore Bank Account**.
- Panama offers the best **corporate secrecy** laws in the world.
- There is no such thing as "piercing the corporate veil" in Panama.
- Revealing **banking information** to third parties is a crime, punishable by prison.
- Panama has no mutual **legal assistance** treaties (MLAT's) for sharing of **banking information** with any other nation and does not recognize court rulings from other countries.
- Panama Corporations offer "**Bearer Shares**", for shareholders to maintain complete anonymity and privacy.
- **Panama Private Interest Foundations** allow for **Private Protectorate Documents** and **Private Letters of Wishes**, enabling controllers (Protectors) and beneficiaries of foundations to remain completely anonymous and private.

**Quote:** *"Two months after I created my **IBC**, I got hit with a big lawsuit for something that was not my fault. Instead of spending a lot of time and money defending the suit, I had my lawyer explain to their lawyer that I didn't own anything. And it was all over! They could not verify any of my assets that were sheltered offshore."* - Steve Richards, NY, USA.

#### **Income Tax Minimization:**

You can minimize your domestic **income taxes** by using **Panama Corporations** for **international trade, investments**, domestic business ventures, etc. Panama is one of the most popular jurisdictions in the world to incorporate because Panama is a 100% **tax haven**. **Panama corporations** and **foundations** offer the following tax benefits:

- **No income tax.**
- **No capital gains tax.**
- **No interest income tax.**
- **No sales tax.**
- **No tax on issuance of corporate shares.**

- **No tax to shareholders.**
- **No stock sale or transfer tax.**
- **No capital stock tax.**
- **No property tax.**
- **No estate tax.**
- **No gift tax.**
- **No stamp tax.**
- **No succession tax.**
- **No inventory tax.**

**Quote:** *"I have been able to save hundreds of thousands of dollars in capital gains taxes by investing through a **Panama IBC**. Plus, my securities portfolio is private and safe from lawsuits or intruders, and my kids will inherit the assets free of taxes or legal issues. I wish I had known about this 20 years ago!" - Derek Little, BC, Canada.*

#### **Investment Diversification:**

Many people use offshore corporations to take advantage of **offshore investment** opportunities and diversify their investments internationally. Many countries (such as the US) have laws which restrict their citizens from investing in **offshore mutual funds, stocks**, or offshore private placement investments. **Panama corporations and foundations** are not restricted from any type of investment in the world.

Through the insured **offshore corporate brokerage account** that we offer with our **corporate packages**, you can invest in any domestic or **offshore mutual funds**, stocks, bonds, options, money markets, etc. on any major exchange around the globe.

**Offshore Merchant Accounts** also provide you with the ability to collect fees offshore beyond the jurisdiction of **federal tax** authorities,

#### **There are several advantages to doing your offshore investment business in Panama:**

- Panama is home to the second largest **international banking center** in the world next to Switzerland.
- Panama's circulating currency is the US Dollar.
- **Panamanian banks** pay higher interest rates on USD savings accounts and CD's than any other banks do.

· Panama has a very sophisticated, developed, and stable banking infrastructure. To obtain a banking license to operate a **bank in Panama**, it takes over US\$15 million in required capitalization, not to mention additional government fees, regulatory building requirements, extensive references, audits, etc. In other jurisdictions such as Bahamas, St. Vincent, Grenada, St. Kitts, Nevis, Vanuatu, Montenegro, and many other countries, one can obtain a banking license for as little as US\$50,000.

· Panama's Stock Exchange is of the most advanced in Central & South America.

· Panama is home to the second largest international distribution center (free trade zone) in the world next to Hong Kong. Other **tax havens** such as Bahamas, St. Vincent, Turks & Caicos, Vanuatu, Isle of Man, Antigua, etc. are nothing but tax haven island nations who depend on tax evaders and tourism. Panama is a genuine **international business trade** and **banking center**, not just a **tax haven**.

**Quote:** *"When I found out that I could put my money into a **Panamanian bank** CD paying 9% interest per year, I couldn't believe it. So I flew down to Panama from my home in France and verified it for myself - it was true. I made the deposit and the bank has provided me with great service!" - Pierre Tous, Paris, France.*

#### **International Trade:**

**Panama corporations** are extremely useful for international trade. Panama is home to the second largest international distribution center ( **tax free zones** ) in the world next to Hong Kong. Many of the worlds largest companies such as (Tommy Hillfiger, Sony, Panasonic, etc.) set up distribution centers in Panama's **tax free zones**. Since the **Panama Canal** is strategically located in the center of the Western Hemisphere, Panama is the perfect location for goods to be distributed internationally, and **tax free**. Panama's **tax free zones** allow companies to import and export products from Panama without any import or export taxes.

Many companies also use **Panama corporations** to "triangulate" their international trade business, for maximizing profits.

Let's take a true example of a client of Panama Offshore Services International, Inc.; A US company imports shirts from Brazil. The US company pays US\$1 per shirt to their Brazilian supplier, plus US\$0.25 per shirt for shipping, and US\$0.25 per shirt for import duties (taxes) to the US. Hence, the US companies total cost for importing the shirts are US\$1.50, plus their overhead and operation costs are approximately US\$0.50 per shirt, meaning that their total cost of business is US\$2. The US company sells these shirts for US\$10 each, earning a profit of US\$8 per shirt. The US company is then taxed on approximately 38% of the profit, meaning that they pay US\$3.04 per shirt in taxes. They generally import and sell 10,000 shirts per month, meaning that they pay US\$30,400 in taxes per month!

The US company then decided to triangulate their business using an offshore corporation. By creating an intermediary offshore distributor in Panama, the US company was able to minimize their US taxes, and accumulate wealth offshore in a tax free environment. Now, instead of their US company buying directly from the Brazilian supplier, they order from the **Panamanian company** for a market up price. In essence, the US company orders 10,000 shirts from the **Panamanian corporation** for US\$5.50 per shirt, then pays US\$0.25 per shirt for shipping, plus US\$0.75 per shirt in import duties, for a total of US\$6.50 per shirt. Their overhead and operation costs are US\$0.50 per shirt making their total business cost US\$7 per

shirt. They sell each shirt for US\$10, now making a US reportable profit of US\$3 per shirt, upon which they pay 38% tax, meaning that they now pay only US\$1.14 per shirt, or US\$11,400 per month in taxes. That is a monthly tax savings of US\$19,000 per month, or US\$228,000 per year!

**Quote:** "Most people don't know the strategies and techniques that are available for **minimizing taxes** on importing. Triangulating my import business has increased my bottom line by 3 fold just in the first 9 months. The nice thing is that no one knows that I have socked away all this money offshore from my import business except for me. Doing this has really provided me with a lot of security for the future." - T. Williams, TX, USA

#### **Estate Planning:**

Most of your estate could go to the government, not to your heirs. Because a corporation has a life of its own, a carefully designed corporate strategy allows you to care for your loved ones free from probate, inheritance taxes, and other legal and tax problems. Your heirs can inherit the assets that you leave for them, exactly as you left them, free of deductions or legal delays.

#### **Panama Private Interest Foundations are the ideal estate planning entity for the following reasons:**

- **Foundations** can hold assets such as **corporations, bank accounts, brokerage accounts**, real estate, or any other type of asset, **free of taxes** or reporting requirements.
- **Foundations** can have a nominee foundation council and the foundation council members can be from anywhere in the world or replaced at any time by the Protector.
- **Foundations Protectors** (controllers) can be appointed through a Private Protectorate Document, allowing the Protector to control the foundation privately and anonymously.
- **Foundations Beneficiaries** can be appointed by the Private Protector through a Private Letter of Wishes, allowing the beneficiaries to also remain private and anonymous.
- The **Foundation** and the **Foundations beneficiaries** have no reporting requirements and pay zero taxes when assets are donated to or received from the foundation.
- The **Foundation** can be used as a charitable entity, for receiving donations or donating to anyone that the Protector designates, **free of taxes** or reporting requirements.

**Quote:** *"The last thing I want to do is give away 50% of my money to the government when I die. I want my children to have what I have worked all my life for, and they shouldn't have to fight with the government over it. What right is it of the government to take my money just because I'm gone? I just won't allow that to happen."* - Marian Stark, AZ, USA.

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## OFFSHORE COMPANIES

### *USES OF OFFSHORE COMPANIES AND TRUSTS*

By utilizing an offshore company, it may be possible to secure a number of advantages. In the following notes, we outline some of the structures, which are available and give examples of uses which may be made of offshore companies. This is not intended as an exhaustive demonstration of offshore possibilities and we would always remind clients that the tax and other benefits which can be obtained by use of offshore entities usually depend upon the country of residence of the beneficial owner and its anti-avoidance legislation and regard has to be had, too, for the requirements of any other country with which the offshore entity might carry on its business.

Nevis offers three distinct strategic advantages to the world citizen. First, Nevis has the strictest confidentiality laws of any offshore jurisdiction. Second, Nevis provides a legal framework that affords excellent asset protection. Third, Nevis imposes no taxes or currency controls on companies or trusts domiciled there.

Our professionally qualified staff will be pleased to advise you on all aspects.

Typical uses to which an offshore company might be put:

### *TRADING COMPANIES*

An importing or exporting company can establish a Nevis company to serve as an intermediary between itself and its suppliers or customers. The offshore company would purchase or sell product according to the parent company's instructions. The profits arising due to the difference in the purchase price and the sale price would accumulate in the Nevis offshore company. Nevis has good communication resources to aid in this business. **Global Management & Consultancy Corp. Ltd.** is available to provide order taking and order placing as well as invoicing services. We can also provide the trading company its own private telephone number and receptionist as well as a facsimile number and mailing address in Nevis.

### *INVESTMENT COMPANIES*

Funds accumulated through investment companies set up in offshore area can be invested or deposited throughout the world and whilst generally returns or interest payable in respect of these funds will be subject to local taxation, there are a number of offshore areas in which funds may be placed either in tax free bonds or as bank deposits where interest is paid gross. Similarly, in many offshore areas no capital gains taxes are applicable. Use of an offshore company incorporated in a suitable country allows the possibility of investing tax efficiently in a high tax country where there is a concessionary tax treaty in respect of investments made by companies incorporated in the offshore country.

GMCC offers Internet trading services for these companies. Investments and trade instructions can be made via the Internet by use of this service. Investment results can also be accessed via the Internet in order to avoid the receipt of statements in the mail. The Company also offers traditional stockbrokerage services and can provide both advisory and discretionary portfolio management.

### *HOLDING COMPANIES*

Use may be made of an offshore holding company, which would fund the operation of subsidiaries in various countries so that the subsidiaries obtain the benefit of tax deductions on interest paid. If the holding company is situated in an offshore area where there are no income or corporation taxes and no requirement that dividends must be paid, then the profits which are accumulated in the tax free climate can be used to fund the requirement of subsidiaries or reinvested as business convenience suggests.

### *PROBATE AND PRIVACY*

A high net worth individual with properties or other assets in a number of countries may wish to hold these through the medium of a personal holding company so that upon his demise probate would be applied for in the country in which his company was incorporated rather than in each of the countries in which he might hold assets. This saves legal fees and avoids publicity. Again, not everybody wishes to advertise wealth and an individual may wish to hold property through an offshore entity simply because of the privacy, which the offshore arrangement gives.

#### ***PROPERTY OWNING COMPANIES***

There are often great advantages in using an offshore property holding company for the purpose of holding an overseas property. Advantages of offshore property include avoidance of inheritance tax, avoidance of capital gains tax, ease of sale which is achieved by transferring the shares in the company rather than transferring the property owned by the company and reduction of property purchase costs to the onward purchasers.

#### ***PROFESSIONAL SERVICES***

Individuals who receive substantial fees in respect of their professional services in capabilities such as designers, consultants, authors or entertainers, may assign or contract with an offshore company the right to receive those fees. The offshore employment company may not have to pay tax on its profits which can be reinvested in a tax-free climate to generate further income from the offshore company. Payments to the individuals concerned can be structured in such a way as to minimize their tax liabilities. One example in this regard in respect of an overseas employment is to increase subsistence expenses as against fees as such, which would be paid to the individual.

#### ***PATENT, COPYRIGHT AND ROYALTY COMPANIES***

An offshore company can purchase or be assigned the right to use a copyright, patent, trademark or know-how by its original holders with a power to sublicense. Upon acquisition of the intellectual property right the offshore company can then enter into agreement with licensees around the world who would be able to exploit the intellectual property right in various countries. It is thought preferable to acquire, for example, a patent at the patent pending stage before it becomes very valuable so that the capital payment for the acquisition of the patent can be set at a lower amount. Often royalties paid out of a high tax area attract withholding taxes at source. In many cases an interposing holding company may allow a reduction in the rate of tax withheld at source.

#### ***DISCRETIONARY TRUSTS***

An offshore trust, where the settlor of the trust is a non-resident of Nevis and the trust income is derived outside of Nevis, is free of all taxes and duties. Many mainland tax jurisdictions look through this trust arrangement and tax the beneficiaries on their pro-rata share of income, rather than money actually remitted to him. In a discretionary trust, the trust property is held by the trustees to distribute income or the capital of the trust to the beneficiaries in any proportion as the trustees shall in their absolute discretion see fit. In this arrangement no one beneficiary has any legal entitlement to any shares in the trust income or capital because the trustee may or may not exclude him. The beneficiary will then only be assessed in his or her mainland on the amounts actually remitted to him, rather than a certain proportion of yearly income.

#### ***ASSET PROTECTION TRUSTS***

Asset protection trusts are popular with doctors, dentists and other professionals subject to malpractice litigation. These trusts are also used to protect assets from divorce laws and heirship laws. The asset protection trust is not normally available to defeat current creditors but proves to be very effective against unknown future claimants.

#### ***BANKING COMPANIES***

Many offshore banking institutions have been established in tax havens in recent years. Many of these institutions are subsidiaries of major international banks. Such institutions pay interest free of withholding tax and engage in international financing from offshore bases, which are free from exchange controls. Such banking institutions and their associated trust companies are able to provide a wide range of financial services to their international clientele. Offshore banking institutions are also used by the smaller business Organization

and indeed in some cases by individual owners to act as offshore cash management centers.

**INSURANCE COMPANIES**

There are number of offshore havens which are keen to encourage the establishment of insurance companies which like banking companies bring employment and investment to the country of incorporation and generally enhance its reputation and its range of financial services. In a number of offshore havens it is possible to incorporate insurance companies which pay no tax in respect of their premium or investment income.

**CAPTIVE INSURANCE**

Captive insurance companies have been created by many multinational companies to ensure and re-insure the risks of subsidiaries and affiliated companies. Captive insurance companies are particularly suitable for the shipping and petroleum industries and for the insurance of risks, which might be insurable only at prohibitive premiums.

**OFFSHORE MERCHANT ACCOUNT**

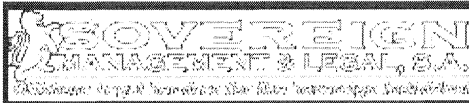
Many companies who conduct commerce over the Internet are now using offshore jurisdictions to establish merchant credit card processing accounts. By establishing an offshore company and a merchant account, credit card transactions processed in that jurisdiction are tax-free. Due to the E-Commerce phenomenon, many large and small companies are now establishing offshore merchant accounts to process their Internet credit card transactions.

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## Offshore Merchant Accounts & E-Commerce Solutions

- ▶ Access our online Merchant Account Application.
- ▶ Panama bank direct merchant credit card account.

E-Commerce can provide you with a good opportunity to set up an internationally based business. Such a business can be operated at arms length from your own home (high tax) jurisdiction or from anywhere in the world. Depending on what is being sold, an e-commerce business is the ultimate portable venture.

To take advantage of the e-commerce opportunity for tax optimization purposes, you need to set up an offshore corporation that you neither own nor control. This then can be your platform for an international business with great tax benefits.



A few of the basic ingredients would therefore include:

1. An a "**non-controlled**" IBC and a bank account in a tax haven country.
2. **Web hosting** in a country other than your own.
3. Credit card merchant account - outside your home country - and preferably directly with a bank also in a tax haven country.

To make this arrangement even more secure, you should also ensure that whatever product or service is being provided is also based in, or distributed from, an "offshore" location. Consequently, there is no literal business activity taking place on your home territory. Even better, you can employ people offshore. What you want to achieve is a genuinely international business, one outside your own tax jurisdiction.

The corporate structure (IBC) forms the basis for this strategy as it provides you with the legal framework for doing business. The web-hosting location adds another layer of protection and enhances your international location. The third element of the strategy is your merchant account, by which you are authorised to debit people's Visa / Mastercard (and others).

Getting a merchant account in your home country should not be difficult but that is not the best option. You need a merchant solution that is outside your jurisdiction. Why? Because the proceeds of all sales should bypass your own country's banking system. Remember, this is an "international" business you're setting up, so you need an international payment solution.

To activate your international merchant account, you need the services of a bank or clearinghouse. The latter is a third party service that will allow you to bill using their merchant status, although many e-commerce business will qualify for their own bank-direct merchant account where the billing will be in their name. As you would expect, this type of service costs more than one in your country of residence.

Most domestic merchant accounts will require a 2.5%-3% discount rate which is the percentage they take of



your turnover. However, with an offshore merchant account the discount rate is higher. You can expect to pay anywhere from 4% to 12% dependant on the average ticket size. The higher rates would be for the riskier businesses.

Additionally, the clearinghouse or payment gateway processor will require you to put up a security deposit in order to protect itself and the bank from any fraudulent use. This is usually collected in the form of a "rolling reserve," which means they retain usually 10% of your sales revenue for a period of six months. Thereafter, your funds are released on a pro-rata basis.

Your sales proceeds (less discount and reserve) will be wired to your offshore corporate account or if are fortunate enough to hold a bank direct account then the deposits will be made directly into your regular bank account which you will also have with that bank. If you are selling information services - then it's even easier, as you can have the actual information located offshore as well. What that means is that you have no trading base in your home country. You have no operations, no stock, and no transactions - nothing. You can also contract with third party fulfillment companies anywhere in the world to ship your product / service, and many will provide you with credit card payment options as well. Drop shipping is also a very commonly used option since you will have no inventory costs to consider, although many merchant credit card processors may require you to ship from your own stock.

That leaves just one thing. What about the money you make and how do you get it back onshore without tax liability? The clandestine way of course, is to use a non-associated offshore card to draw funds from an ATM but this is neither a long-term solution nor one we would recommend, especially if you need to show some income to justify your lifestyle.

The easiest solution is to treat this e-commerce business as a secondary income stream and build up an offshore nest egg. However, if this were indeed your primary income, then you would need to repatriate funds at some stage. This "drawn" income would be taxable in your home country (and you'd need to have proper paperwork to justify this income) - leaving undistributed profits to accumulate offshore.

For instance, let's say that you are selling a magazine. The company publishing this magazine would be the IBC and all the accompanying business arrangements already discussed would be in place. You may be contracted as the editor of this magazine - and therefore receive remuneration accordingly. That income would be taxable in your home country - but would not represent the full profit picture of the company as a whole. The balance of your profit would be retained offshore.

#### **Implementing a turnkey E-Commerce business:**

Sovereign Management & Legal can assist you in all the steps to set up an e-commerce business based virtually or physically here in Panama. We would always recommend a direct bank merchant processing relationship, if possible, and Panama has some banks that specialize in e-commerce merchant accounts. Your credit card transactions are deposited into a regular bank account that is also opened in the same bank.

We also work with several clearinghouse credit card processors that will work with almost any type of business including start-ups with the exception of pornography. They will wire payments into any bank account you designate and they have no problems with "virtual" offshore e-commerce businesses without a physical commercial location. Once your structures have been set up we can assist you with the setting up of a bank account to receive payments from the credit card processor.

#### **Panama bank direct merchant credit card processing account:**

For existing e-commerce businesses processing at least \$20,000 in existing credit card volume we can obtain a merchant account directly with one of the largest banks in Panama. The average rate is typically around 4.5% + 23 cents per transaction but rates will be based on volume, years in business and other factors. These rates, while higher than domestic, are considerably lower (as much as half) than what you can expect to find with a

typical offshore clearing house processor. Both options however will typically deduct a 10% 6 month floating reserve. This means that the reserve will be released and paid to you after 6 months has elapsed.

The advantages of this other than the lower rates are:

1. Greater stability – most clearing house payment processors are ultimately dependant on their bank processing relationships which can change causing disruptions.
2. Strict banking privacy – many offshore payment processors and their banks are located in countries with little or no banking privacy.
3. Faster turn around on getting paid.
4. You deal directly with the bank rather than with a separate organization that then deals with the bank.

If you have a start-up operation we would advise starting out with a clearing house processor and after at least 6 months or a year once there is sufficient volume and transaction history, moving to a direct bank processing relationship.

#### Requirements and procedures for Panama bank merchant account:

1. Complete Bank Merchant Application
2. Present written information about company and product(s):
  - Articles of incorporation and Certificate of Good Standing.
  - Owner(s)'s copies of passports or I.D. cards.
  - Copy of operational license.
  - Gas, water, or electricity bill with company address.
  - Call center(s) information.
  - Technology (providers, quantity, software, packing)
  - Website (company and registry document).
  - Trade references (provider(s)'s information).
  - Shipment information (shipping company, delivering time)
  - Business Plan (markets, product description, product history)
  - Refund Policy.
  - Financial Statement (most recent balance sheet/Income Statement).
  - Tax returns of the last 2 years.
  - Bank statements of last 3 months.
  - Two Bank References on letterhead addressed to Bank (or attorney / accountant reference letter if only one bank reference available)
  - Two Commercial References on letterhead addressed to Bank (can be issued by providers)
3. Present written information about gateway(s) and processor(s):
  - Name(s)
  - Contact person(s)
  - Account registry document
  - Processing history (all transactions including chargebacks and returns for the last 6 months).
  - Monthly Billing
4. Sign proposal provided by Bank.
5. Sign Spanish & English contracts provided by Bank.
6. Complete and sign account opening forms.
7. Wire funds for accounts agreed on proposal.

#### For On-line Pharmacy Merchants:



1. Medicine rider duly signed (including name, location, license, and contact person)
2. List of U.S physicians that will issue prescriptions, showing their id numbers.
3. Questionnaire for prescriptions.

Acceptable chargeback rates are 1.0% for Visa & Mastercard separately and credit or returns rate: up to 5.0%.

The information requirements listed above are a little more demanding then what would be required by a payment processor but the following is quite typical for this option:

**1. Financial and professional references:** Usually a bank and professional reference letter are required to accompany the account opening in the case of bank direct merchant accounts. Requirements vary from solution to solution.

**2. Letter Describing Your Business:** A letter should be provided with the following information:

- Summary of your business activities.
- Description of products and/or services sold online.
- Jurisdictions your company is currently doing business in.
- Year your company was incorporated.
- Previous or expected business volume (annual revenues, sales. etc.).
- Estimated charge-back percentage.
- Website URL that will be used for selling your product or service.
- Jurisdiction where site is hosted.

**3. Prior 6 months of processing statements** – if already processing credit card transactions this is most important in order to be able to obtain a preferred rate.

**4. Photocopy of passport for all company directors, officers, and legal representatives or signatories of the account.**

Whatever option you choose, the principals of our firm have had over 15 years experience in the merchant credit card processing business and can provide you with the right processing platform.

Our fee for facilitating the account opening is only \$450 if not already bundled into a package such as our special Panama e-commerce package. Gateway processing integration and set-up fees, depending on the solution will cost around \$750 to \$1000 for the direct bank merchant account options and expect to pay \$500 as an application and due diligence fee. Clearing house processors typically will charge less with \$500 typical and in many cases that can come out of the first processing transactions. Most banks and processors charge a monthly fee of \$75 to \$100 in addition to any monthly fee charged by the payment gateway provider.

If you ready to start an international e-commerce business or are ready to transform one already existing into an internationally based one click here to be taken to our order form, and visit our merchant account application here.

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