

Company Incorporation in Gibraltar

Gibraltar as an Offshore Domicile

In addition to the opportunities arising from Gibraltar's status in the EU, it is the only jurisdiction that offers a flexible tax regime (25-year certificates), a specific exclusion from the EU requirement to levy VAT, and regulatory standards matching the EU and UK but retaining the flexibility of a small jurisdiction.

Gibraltar Companies Act is based on English Legislation and has recently been amended to include relevant EU Directives. A Gibraltar company can be incorporated within two to three days. However, upon payment of an additional fee, same day incorporation can be affected. Clearance of the company's name is required prior to incorporation. Other factors that make Gibraltar attractive for offshore business conduct include:

- Good geographical location and bilingual (English and Spanish) territory;
- cost effectiveness and attractive fiscal regime for offshore investors;
- Favourable tax status for offshore banks;
- No exchange controls;
- Excellent reputation, stable government and special status within the European Union. Excellent infrastructure and communications.

Types of Companies Available

- The Limited by shares (public or private);
- Limited by guarantee, with or without share capital;
- Unlimited, with or without share capital.

A Gibraltar company is required to maintain a registered office in Gibraltar where the Statutory Books are kept. In the case of private company, a sole director is permitted, although a minimum of two is advisable. A public company on the other hand must have at least two directors. Directors are not required to hold qualifying shares and corporate directors are also permitted.

An AGM of shareholders is required to be held once a year albeit anywhere in the world. (The AGM can be dispensed with if all the shareholders agree).

Many of the facilities available in Company Management in Gibraltar are unique within the EU. The benefits include swift incorporation, extensive company management services and favourable fiscal advantages. Some additional considerations to company incorporation include:

- All companies must comply with the provisions of the Companies Act;
- There are normally fees for the management of a company;
- Company details can be disclosed even if the company is limited by shares;
- Accounts and other returns are necessary and are by and large an annual requirement.

There are numerous regulations governing the administration of a company, with the duties, responsibilities and liabilities of directors being set out in the Companies Act.

The first step when forming a Gibraltar-based company is to ensure that the proposed name is accepted by the Company Registrar. Once the name has been approved, the following documents need to be submitted in accordance with the provisions of the Companies Act:

- Memorandum of Association Articles of Association Declaration of Compliance;
- Notice of Situation of Registered Office;
- Statement of Nominal Share Capital.

A registration fee of GIP 100 is payable at the time of presentation of the documents. The Memorandum and Articles of Association must be embossed with the appropriate stamp duty.

The time taken to incorporate a company in Gibraltar is normally three to five working days, though a company may be incorporated within 24 hours if necessary, for a fee of GIP 200. Once a company is incorporated, a Certificate of Incorporation is issued. Under Gibraltar legislation, only barristers or acting solicitors of the Supreme Court may incorporate companies for gain. Gibraltar companies will not be designed to accommodate bearer shares.

The identity of the directors and shareholders of Gibraltar companies must be filed at the Gibraltar Companies Registry, although these may be corporate directors and/or nominee shareholders. A minimum of one director and one shareholder (corporate or individual) must be appointed to a Gibraltar company. The director and the shareholder may be the same person or corporation.

Gibraltar companies are required to identify commencement dates for their financial years and to file accounts at the Gibraltar Companies Registry relating to their chosen year-long fiscal period within 13 months of the chosen financial year-end. The year-end date chosen can be any date of the year and there is no set minimum for this date to be amended. Companies that are classified as 'small' are not required to file audited accounts and are able to file balance sheets signed by the directors of the company instead. All companies with a turnover of over GIP 1,000,000 are subject to a statutory audit. The financial statements may be produced under IFRS or Gibraltar (which is similar to the UK) GAAP and must be signed off by a Gibraltar-registered auditor.

The Registry

The Gibraltar Companies Registry, which operates solely on a commercial basis at Companies House, Gibraltar, is now fully automated. A company is required to file returns to include the registered office, directors, allotments of shares and an annual return. Moreover, company searches and name clearances can be carried out within a matter of hours. It should be noted that companies undertaking financial services are subject to licensing and regulation by the Financial Services Commission (FSC).

For more information on how Zeta can assist you please contact our Business Development department on bd@zeta-financial.com.

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