

US LIMITED LIABILITY COMPANY

OVERVIEW

The US Limited Liability company (LLC) has limited liability and is a legal entity. It is not subject to US taxation with regards to non-US source income or capital gains. THE LLC can therefore through a US legal entity without being subject to US tax.

Most states in the US can incorporate LLC's. Common states for LLC's are New York, Delaware, Wyoming, Texas and further information can be provided for each state.

TAXES

The LLC is taxed either as a company, a partnership or as a disregarded entity (in the case where there is just one single member). To be treated as a company the members will need to make an election otherwise it will be treated as a partnership or a disregarded entity for tax purposes.

The LLC itself will not be subject to US State or Federal taxes if treated as a partnership or a disregarded entity. Taxation liability sits with the members of the LLC and provided that the members are non-US residents and there is no US source income there will be no US tax liability for the members.

The LLC will be subject to US corporation tax on worldwide profits if it is treated as a US corporation.

FORMATION

The LLC is usually incorporated with 2-3 days but this does vary between States. The corporate documentation is usually available within 7-10 days.

No capital duty Is payable and in most states there is no minimum capital requirements.

The company name shall include a word i.e. Limited, Incorporated, Company etc., moreover all company names must be checked prior to incorporation.

MEMBERS

The LLC in most states can be incorporated with one member although the state of Wyoming does require two members. Nominee members are permitted and the names are usually shown in the incorporation documentation.

MANAGERS

The LLC would normally have at least one Manager and the Manager does not have to be resident in the US.

ADMINISTRATION

Like most jurisdictions the registered address of the LLC must be in the State in which it was incorporated.

The local agent will usually ensure that the annual return is prepared and filed and although there is no legal requirement to prepare and submit audited accounts it is advised that financial accounts are prepared.

The meetings of the Members/Managers do not need to be held in the State of incorporation and can be held anywhere.

BANKING

The LLC can open a bank account however the LLC opens a non US bank account there may be a requirement (depending on the balance maintained on the account) for the LLC to complete a Foreign Bank and Financial Accounts Form (FBAR)

CONCLUSION

The LLC is suitable both for trading and investment while retaining the advantage of having an onshore image while being tax exempt.

THE MANN MADE GROUP

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