

## **International Business Companies Act, 2000**

We wish to advise that extensive changes have been made to the law relating to International Business Companies (IBC's). Listed below is a summary of some of the major changes implemented by The International Business Companies Act 2000:

1. An IBC may do business with and be owned by persons resident in the Bahamas. Persons residing in the Bahamas may require to obtain Exchange Control approval to operate an IBC.
2. An IBC cannot now issue Bearer shares and if they were issued previously such shares should be recalled and reissued to two Registered holders within six months after 29<sup>th</sup> December 2000.
3. An IBC must have at least two Directors who may be either individuals or corporations and need not be resident in the Bahamas.
4. The names and addresses of the Directors and Officers must be disclosed to the Registry for public view by filing a Register of Directors and Officers.
5. The Company shall keep a Register of Shareholders that must be available upon request by the Regulatory Authorities here in the Bahamas.
6. An IBC must hold an Annual General Meeting, which need not be in the Bahamas.
7. The annual fee structure will change commencing January 01<sup>st</sup> 2002. At present the indication that the fee will be \$350.00 per annum.
8. An IBC can hold real estate in the Bahamas. Stamp duty will have to be paid on such on such purchases.

As a result of these changes the law requires that bearer shares shall be recalled and cancelled and registered shares shall be issued in their stead. Dependent upon which of the following options is applicable please act as advised.

Please forward all bearer shares to our office immediately. Failure to do so will result in those shares being deemed null and void under Bahamian law. We will upon receipt of your bearer share (s) issue registered shares as directed by you.

As you may have issued Bearer shares these must be cancelled and Registered Shares shall be substituted, therefor. Unless this is done the Bearer shares shall be deemed null and void and the company will then be in default under the new IBC Act and shall be struck from the Register if the default is not corrected.

We also require, for the purpose of preparing a register of directors and officers, confirmation of the following:

- (a) names and addresses of directors and officers; and
- (b) the date on which each person was appointed as a director or officer.

This is an important exercise and failure to comply will result in your company being struck off the register of companies

Thank you for your assistance in this regard.