



Updates from the Liberian Corporate Registry

Welcome to this year-end edition of the Liberian Corporate Registry's quarterly electronic newsletter. We wish all our readers the very best for a healthy and happy holiday season.

Tell us how we are doing. Please take a moment to complete a short survey on our website: www.LiberianCorporations.com.

Corporate Matters - Annual General Meeting of Shareholders

Subject to the provisions of a corporation's Articles of Incorporation or By-laws, it is not necessary to have an Annual General Meeting (AGM) unless the shareholders insist. The only business which must be conducted at the AGM is the election of directors. Generally, the terms of a director's election are for one year or until removed or retired. Those presently in the positions are presumed to continue until new directors are elected. Furthermore, the absence of the AGM is not fatal to a corporation (See BCA sec. 7.1.3).

There are two main ways to meet the objective of an AGM. The Shareholders can hold an actual meeting or they can pass written resolutions in lieu of a meeting. Subject to the provisions of BCA Sec 7.4, any action to be taken at a meeting of the Shareholders can be accomplished by a resolution in writing.

It is important to note that there are different majority voting requirements for different types of corporate action. According to Liberian law, normally a simple majority is required. However, a two-thirds majority vote of the shareholders is compulsory for a corporation's dissolution or for the sale or all or substantially all of the assets of the corporation. If a more stringent majority is desired, the Articles of Incorporation and/or Bylaws can reflect these requirements.

Shareholders' meetings and action taken without a meeting are covered in Chapter 7 of the Liberian Business Corporation Act.

Meeting Clients

The Registry ended the year on a busy note meeting clients. We sponsored and spoke in Cyprus at the Bosco conference (www.bosco.org.ua) in October in addition to hosting two client events in Nicosia and Limassol. In addition, we just returned from exhibiting at the Foundation for International Taxation Annual Conference in Mumbai (www.fitindia.org). We also met with many friends and colleagues at the SHOREX Wealth Management Forums (www.shorex.com) in Geneva in October and in Zürich, earlier this month.

A visit to Hong Kong was also on the agenda. As the hub between China and the rest of the world, Hong Kong is not only famous for its food and shopping, but also for its free economy.

In end of October, Scott Bergeron, Brad Berman and Adam Cohen of LISCR's U.S. offices enjoyed a one-week visit to Hong Kong. Together with William Wu and Catherine Kwok of LISCR- Hong Kong office, they met with clients and friends - the leaders in the international corporate service profession. Many of these clients have been with the Liberian Registry for more than 30 years! Their support has made the trip fruitful and constructive. For those we missed, similar visits will be arranged for early next year.

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Electronic Filing and eCorp

The Corporate Registry has significantly evolved since its creation in 1948 as one of the first 'offshore' jurisdictions. Its commitment to investing in the most efficient, innovative technology largely contributes to the ongoing development and success of the Registry. In addition to the technological changes in the Registry's internal operations, additional developments have been undertaken in order to provide the advantages of modern technology to Liberian entities. (Read more in Feature Section)

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Feature - Electronic Filing and eCorp

The Liberian Corporate Registry has significantly evolved since its creation in 1948. Although one of the first 'offshore' jurisdictions, its commitment to investing in the most efficient and innovative technology contributes to the ongoing development and success of the Registry. In addition to the technological changes in the Registry's internal operations, developments have been undertaken to provide the advantages of modern technology to the formation and administration of Liberian entities.

One major effort in this regard, was the adoption of the Liberian Electronic Transactions Law in 2002. This law enables entities to conduct international business using electronic communications and transactions. For example, the law permits digital signatures to meet the requirement of an actual signature, if a document has not been otherwise signed. The Law also permits the storage of original documents in an electronic format, provided the electronic records accurately reflect the information set forth in the original documents. The Law also permits corporations to retain electronic records of minutes from meetings, resolutions adopted in writing as well as the maintenance of shareholder records.

Another benefit is that such law also recognizes electronic certificates issued by the Registrar as the original - identical to the paper-issued certificate. In accordance with the Liberian Electronic Transactions Law, the Liberian Corporate Registrar may file documents based on fully executed and legalized electronic copies of these documents.

The Registry's most recent, innovative project integrates the advantages of electronic communication and the Internet in developing a state-of-the-art web-based client interface, known as eCorp®. eCorp enables clients to conveniently and securely access their accounts 24/7 to:

- *Form new corporations*
- *Generate Certificates of Incorporation and Goodstanding*
- *Reserve names*
- *Manage existing corporations*
- *Pay invoices*
- *File documents*
- *Generate and review statements of account*

eCorp allows users to complete the incorporation process and obtain electronic duplicates of the original documentation in just minutes. Clients may also monitor the status of existing entities where they are the Address of Record/Billing Address, obtain certificates, both for Liberian entities that are under their management as well as other 'Third Party' Liberian entities. Users also have easy access to copies of invoices and can make payments either by credit card or drawdown account.

In addition to the immediate availability of electronic documents, paper originals continue to be sent. Apostilles can be requested for eCorp issued documents and all Apostilles contain a 'live' ink signature.

A BETA testing trial of eCorp was offered to a select group of participants earlier this year. The Registry has received very positive feedback from clients participating in the testing phase. Increased enrollment is expected later in 2011. You can download a copy of the eCorp presentation [here](#).

You can download a copy of the Electronic Transactions Law on our website.

2011 Fee Changes

As of the 1st of January, the lowest service fee charged by the Registry will be US\$150. This will be the Registry's first price increase in nearly 15 years. The adjustment is necessary in order to bring these fees in line with our standard fees and to cover the cost of filing and returning original documents to clients.

Fortunately, investments in advanced technology has enabled the Registry to minimize price increases. All other fees, including fees for Certificates of Goodstanding, Annual fees and formation fees to incorporate will remain unchanged. In addition, free services, such as legalization by Apostille, free Certificates of Goodstanding for pre-paid corporations and free redomiciliation into Liberia, will continue as before.

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UPCOMING NEWSLETTER

The next issue of Corporate@ is scheduled for January 2011 and will feature an article on 'Entrepreneurs, Investors and Dynasties - Finding the right Corporate vehicle'.

As always, we are ready to serve your needs.

Best regards,

The Liberian Corporate Program