

ATTORNEY GENERAL'S OFFICE
Registrar of Corporation
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INFORMATION REQUIRED FOR FORMING A DOMESTIC CORPORATION

A corporation for profit may be organized within Palau for any lawful purpose. The issuance of a corporate charter should not be confused with authorization to do business within Palau. Palau corporations must comply with all national and state laws relating to foreign investment and business license. Any corporation having one or more shareholders who are not Palauan citizens must obtain a Foreign Investment Approval Certificate (FIAC) from the Foreign Investment Board (FIB) before doing business within Palau.

There must be at least three directors and at least three incorporators for any corporation organized under the laws of Palau. Persons seeking a charter as a corporation under the laws of Palau should submit for the approval of the President: (1) Articles of Incorporation; (2) proposed By-laws of the corporation; and (3) an affidavit sworn to under penalty of perjury by the President; secretary and treasurer of the corporation, as named in the Articles of Incorporation. The required information is submitted to the President by filing it with the Registrar of Corporations, located within the Office of the Registrar of Corporations, located within the Office of the Attorney General, Republic of Palau. There is a non-refundable \$250.00 filing fee for each such submission.

Articles of Incorporation. At a minimum, the Articles of Incorporation must include the following information:

1. The proposed name of the corporation, which shall include as the last word thereof the word "Limited," "Incorporated," or "Corporation," or the abbreviation "Ltd.," "Inc.," or "Corp.";
2. The place of its principal office or place of business within Palau and also the street or mailing address of the initial office;
3. The purpose and powers of the corporation;
4. The numbers of shares of each class of stock that the corporation is authorized to issue, the aggregate par value, if any, of each class of stock, and the par value of each share or that the shares are without par value;
5. The number of directors, which shall be not less than three, and the names, citizenship and street or mailing address of the initial officers and directors;
6. If the corporation is to issue initially more than one class of stock, the preference, privileges, powers, rights and qualifications of the shares other than common shares having full voting rights.
7. The proposed duration of the corporation;
8. The names, citizenship and street or mailing addresses of the incorporators;
9. Provisions for voting by stockholders and provisions for shareholding, if any;

10. Provisions for disposition of financial surplus;
11. Provisions for liquidation;
12. Provision for amendment of the articles of incorporation;
13. Provisions for management, if any; and
14. Whether ownership of the shares of stock is to be limited to Palauan citizens only.

In addition to the foregoing, the articles of incorporation may include any other lawful provisions which may be desired by the corporation for the purpose of defining, limiting, or regulating the powers of the corporation and the powers and duties of its board of directors.

Bylaws: In addition to the article of incorporation, persons seeking a charters a corporation shall submit for the approval of the President proposed bylaws governing the operation of the corporation. The bylaws must be consistent with the articles of incorporation and the laws of the Republic of Palau.

Affidavit: An affidavit sworn to under penalty of perjury by the president, secretary and treasurer of the corporation as named in the articles of incorporation at the time of filing the articles be filed in the Office of the Registrar of Corporation. If the affidavit shall set forth the following information:

1. The number of authorized shares of the stock of each class of the proposed corporation;
2. The par value of each such share ash have par value;
3. The name of the subscribers for the shares of each class;
4. The number of shares of each class subscribed for by each subscriber;
5. The subscription price or prices for the shares of each class subscribed for by each subscriber, and if it is to be paid in other than cash, the consideration in which it is to be paid.
6. The amount of capital and paid-in surplus, if any, paid in by each subscriber, separately stating the amount paid in cash and in property.

If more than fifty percent of the aggregate authorized capital stock of the corporation upon its incorporation is to be issued for a consideration other than cash, or for the acquisition of the assets and business of any existing enterprise, the affidavit must also contain a summary description of the consideration of the assets and businesses to be acquired as the case may be, and a net valuation thereof.

Proof of Paid- In Capital: Bank statement, receipts or other documentation of amount paid into the corporation as paid-in capital.

No corporation for profit may engage in business in Palau until three-fourth of its authorized capital stock has been subscribed for non until ten percent of its authorized capital stock has been paid in by the acquisition of cash or by the acquisition of property of a value equal to ten percent of the authorized capital stock.

Persons seeking to form a Palauan domestic corporation should familiarize themselves with applicable laws and regulations pertaining to the formation of corporation