BRIS GROUP

MARSHALL ISLANDS COMPANY FORMATION

CLIENT GUIDE 2026

Incorporation, taxation, annual renewal and compliance

Professional company formation and ongoing corporate administration

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COMPANY FORMATION OVERVIEW

Marshall Islands IBC at a Glance

A Republic of the Marshall Islands (RMI) International Business Corporation (IBC) is a non-resident domestic corporation formed under the Business Corporations Act, part of the RMI Associations Law. It is a separate legal entity commonly used for international trade, consulting, investment holding, group structures, vessel ownership and other lawful cross-border purposes.

Topic	Current position
Ownership	100% foreign ownership is permitted. Shareholders may be individuals or legal entities.
Directors	At least one director is required. Directors may be located outside the RMI.
Officers	Every RMI corporation must appoint a Secretary. Other officers may be appointed under the Articles or Bylaws.
Registered agent	A non-resident domestic corporation must maintain the statutory RMI registered agent. The Business Corporations Act designates The Trust Company of the Marshall Islands, Inc. for non-resident entities.
Registered address	The Articles state the corporation's registered address in the RMI and the name and address of its registered agent.
Public registry	There is no general requirement to file the names of shareholders, directors or officers in the public registry; publicly filed documents remain searchable.
Business scope	A corporation may be formed for any lawful business purpose, subject to RMI restrictions and licensing laws applicable where activities are conducted.

Incorporation Requirements

Formation requests are made through a qualified intermediary that performs due diligence. BRIS Group coordinates the incorporation and compliance process with the RMI corporate registry/registered-agent system.

Topic	Current position
Company name	Names may use Roman characters and an accepted corporate suffix. Alternative names should be supplied for clearance.
Articles	Articles of Incorporation are filed with the Registrar. The corporate existence begins upon filing.
Share structure	The Articles state the authorised shares and whether shares have par value or no par value.
Directors & officers	The incorporator may elect directors, appoint officers and adopt Bylaws as part of the organisational process.
Due diligence	Identity, address, beneficial ownership, business activity and source-of-funds information are required under intermediary AML/KYC procedures.

Share Capital & Share Requirements

Standard share structure

The RMI Registry describes the standard corporation as having 500 registered and/or bearer shares of no par value, or up to US$50,000 of par value stock. Par value may be denominated in any currency.

There is flexibility to adopt a custom authorised share structure. A **one-time capitalization tax** is assessed when authorised capital exceeds 500 no-par-value shares or US$50,000 (or equivalent) of par-value stock. This is a formation/capitalisation charge, not an annual corporate income tax.

Bearer shares remain legally contemplated by the RMI framework but are subject to additional recordation and beneficial-ownership requirements. For most private client structures, registered shares are normally the clearer compliance option.

Documents Required from the Client

- Certified copy of a valid passport for each relevant individual.
- Recent proof of residential address.

- Full ownership and ultimate beneficial ownership information.
- Clear description of proposed business activities, countries of operation and expected counterparties.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- For a corporate shareholder: incorporation/constitutional documents, current ownership and management evidence and KYC for ultimate beneficial owners.
- Additional information requested by BRIS Group or the qualified intermediary according to the risk profile.

Formation Process & Documents Received

1. Structure and activity review **2.** KYC/AML review **3.** Name clearance **4.** Articles filed **5.** Directors/officers and Bylaws organised **6.** Corporate file released

Typical corporate file: filed Articles of Incorporation; Bylaws where adopted; organisational/incorporator or board actions; director/officer appointments; share documentation and internal registers as applicable. Certificates of Good Standing, certified copies, incumbency documentation and apostille/legalisation services can be ordered separately where required.

Taxation of a Marshall Islands Non-Resident IBC

Statutory RMI tax exemption

Section 12 of the Business Corporations Act statutorily exempts a non-resident domestic corporation from RMI corporate tax, corporate profit tax, income tax, withholding tax on the entity's revenues, asset tax, tax reporting requirements on the entity's revenues, stamp duty and exchange controls, other than the statutory filing and annual registration fees.

The exemption applies to a **non-resident** entity - broadly, an entity not doing business in the RMI. The Act also exempts interest, dividends, royalties, rents and other distributions paid by a non-resident corporation to non-resident persons from RMI tax or withholding provisions.

Important international tax point

RMI tax exemption does not mean the company is exempt from tax everywhere. Tax residence, management and control, permanent establishment, CFC rules, shareholder taxation and reporting in other countries must be considered separately.

Accounting Records & Financial Statements

The tax exemption does **not** remove the corporation's record-keeping obligations. Every domestic corporation must maintain reliable and complete accounting records and underlying documentation sufficient to explain transactions, determine its financial position with reasonable accuracy and allow financial statements to be prepared. Required corporate records must generally be retained for at least five years.

Are annual financial statements filed with the RMI tax authority?

For a qualifying non-resident domestic corporation, Section 12 provides an exemption from RMI tax reporting requirements on the entity's revenues. The Business Corporations Act requires accounting records to be maintained and financial statements to be capable of preparation, but it does not impose a routine annual filing of financial statements with the RMI tax authority merely because the entity is an IBC. Separate ESR reporting still applies.

Economic Substance Reporting (ESR)

All RMI non-resident domestic entities must submit an **annual Economic Substance Report** through the RMI ESR Reporting Portal. The reporting deadline is within 12 months of the entity's anniversary date.

Whether an entity must demonstrate economic substance in the RMI depends on its classification under the Economic Substance Regulations. An entity that is centrally managed and controlled outside the RMI and tax resident outside the RMI may fall outside the definition of a 'relevant entity', subject to the Regulations and supporting evidence. **However, the annual ESR Report is still required.**

Relevant activities include categories such as banking, insurance, fund management, finance and leasing, headquarters, shipping, holding company business, intellectual property business, and distribution/service-centre business. The precise ESR position must be assessed from the company's actual activities.

Beneficial Ownership & Corporate Records

The corporation must maintain current shareholder and beneficial-ownership information. Under the Beneficial Ownership Regulations 2023, beneficial ownership ultimately refers to the natural person(s) who own or control the legal person; controlling ownership generally includes holdings of more than 25% of shares/interests or voting rights, with further control tests applying where ownership alone does not identify the beneficial owner.

The company must also maintain minutes/actions of shareholders and directors, shareholder records and other statutory corporate records. Records must be capable of production when lawfully required.

Annual Renewal & Ongoing Compliance

Topic	Current position
Annual registration fee	Pay the annual registration fee prescribed by the Registrar. The current amount is confirmed on the annual invoice / applicable Registrar fee schedule.
Registered agent	Maintain the statutory RMI registered agent and registered address.
ESR Report	File the annual Economic Substance Report within the applicable 12-month reporting period.
Accounting records	Maintain complete accounting records and underlying documentation; retain required records for at least five years.
Corporate records	Keep shareholder, director/officer, minutes/actions and beneficial-ownership records current.
Changes	Promptly notify BRIS Group of changes in ownership, management, share structure, addresses or business activity so that required filings/records can be updated.
Regulated activity	Activities regulated in the countries where they are carried on must comply with the relevant local licensing and regulatory laws. RMI non-resident entities are prohibited from operating as virtual asset service providers under the 2020 amendments.

Good standing

Failure to pay the annual registration fee or maintain a registered agent can ultimately lead to revocation/dissolution procedures. Failure to file ESR reports can also result in penalties or annulment.

How BRIS Group Supports You

Pre-incorporation review - Review the proposed activity, ownership, share structure and practical suitability of the RMI.

Company formation - Coordinate name clearance, Articles of Incorporation and organisational documentation.

KYC & compliance - Coordinate due diligence, beneficial-owner information and source-of-funds requirements.

Corporate administration - Assist with resolutions, registers, share documentation, officers and corporate changes.

Annual renewal - Coordinate annual registration, registered-agent services and good-standing maintenance.

ESR coordination - Assist with collection of information required for the annual Economic Substance Report.

Accounting coordination - Assist clients in organising accounting records or third-party accounting support where required.

Documentation - Arrange Good Standing certificates, certified copies, incumbency and apostille/legalisation services where available.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Marshall Islands company incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, RMI registered-agent/registry charges, annual renewal, ESR support and optional services are quoted separately. Clients may request a tailored quotation based on the proposed structure, activity and service requirements.

Client Preparation Checklist

- Three proposed company names in order of preference.
- Detailed description of intended business activities and countries of operation.
- Names and ownership percentages of shareholders and ultimate beneficial owners.
- Names of proposed directors and officers; a Secretary must be appointed.
- Certified passport and recent proof of address for each relevant individual.
- Appropriate source-of-funds/source-of-wealth evidence.
- Expected annual turnover, currencies and approximate transaction profile.
- Preferred authorised share structure and initial share allocation.
- Banking requirements, if banking assistance is requested.
- Corporate documents where a legal entity will be a shareholder.
- Tax-residence information relevant to ESR classification and independent tax advice for the owners/management jurisdictions.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute legal, tax, accounting, banking or investment advice. Legislation, regulations, Registry practice and fees may change. BRIS Group will confirm current intermediary/Registry requirements and charges before an order is accepted.

Primary official sources reviewed: Republic of the Marshall Islands Business Corporations Act 1990 (52 MIRC Ch. 1), including sections 9, 12, 20, 28, 62, 80 and 104; RMI Economic Substance Regulations 2018 and official ESR guidance/portal information; Beneficial Ownership Regulations 2023; and current RMI Corporate Registry guidance and incorporation materials.

Information reviewed: August 2026. This guide reflects legislation and official regulatory information available at the date of publication and may be updated without notice.

PREPARED BY BRIS GROUP

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Professional incorporation and corporate administration for international clients.