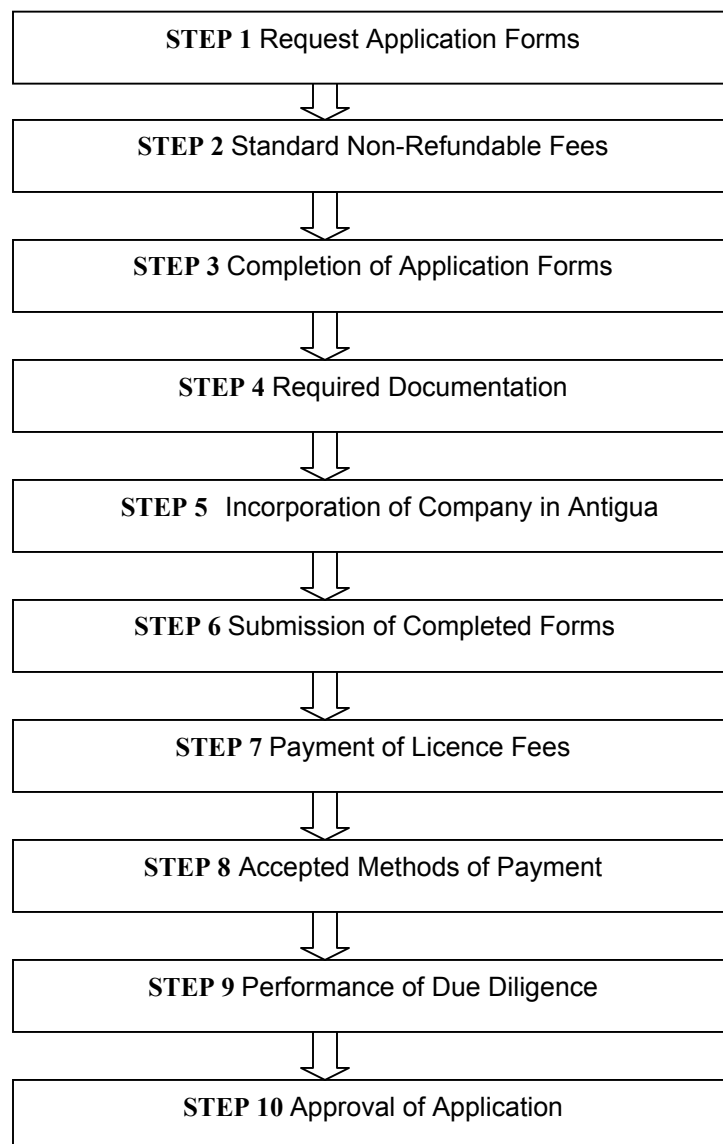




FREE TRADE & PROCESSING ZONE APPLICATION PROCEDURE

Application for a business licence to operate in the Antigua & Barbuda Free Trade Zone is a simple process.



STEP 1 REQUEST APPLICATION FORMS

Applicants must submit to the Free Trade and Processing Zone, a letter requesting an application form. All correspondence must be addressed to the attention of the Commissioner of the Free Trade and Processing Zone. The letter must state the name of the company, give a brief company profile and identify the company's target market. The standard application form fee is US\$25.00 and must be enclosed with the letter.

STEP 2 STANDARD NON-REFUNDABLE FEES

The following fees are standard non-refundable fees which must be submitted with each application:

Application Processing Fee	US\$25.00
Due Diligence fee	US\$1000.00

STEP 3 COMPLETION OF APPLICATION FORMS

The application form to conduct business in the Free Trade and Processing Zone consist of three (3) sections plus an instructions pamphlet.

1. Application for Licence and Registration of the Investment Therein Instructions for completing and filing application.
2. Application for Licence and Registration of the Investment Therein - Part 1
3. Application for Licence and Registration of the Investment Therein - Part 2
4. Application for Licence and Registration of the Investment Therein - Part 3

All application forms must be completed in the English language. Any document/s submitted in a language other than English must be accompanied by a translation in English and certified by a practicing attorney or a notary public.

Please note that a separate Part 2 form needs to be filled out by each of the following persons:

- Investors
- Members of the Board
- Principal Officers
- Key Personnel Members

The Part 2 form is therefore the only part of the application form which can be photocopied for submission. **Please note that each person filling out a Part 2 form must also submit the Required Documentation listed in STEP 4.**

In the case where an Investor is another company, a Part 2 form must be submitted on behalf of this company. Separate Part 2 forms must also be filled out by each Investor owning over 10% interest in the investing company, each Member of the Board and each Principal Officer. **Please note that each person filling out a Part 2 form must also submit all of the Required Documentation listed in STEP 4.**

STEP 4 REQUIRED DOCUMENTATION

The following documents are required for submission along with the Part 2 forms of the Free Trade Zone Application to conduct business:

- (a) Letter of recommendation from a practicing attorney, a reputable individual or firm.
- (b) Police Record / Certificate of Good Character from the country in which the applicant permanently resides, and also from the country of origin of the person if their nationality differs from their country of domicile.
- (c) Curriculum Vitae.
- (d) Notorized copies of Passport, Driver's Licence and Birth Certificate.
- (e) Bank and Credit Reference letters for individuals submitting a Part 2 form.
- (f) Bank and Credit Reference letters for company.
- (g) Memorandum and Articles of Association for incorporated company from country of origin.
- (h) Certificate of Incorporation for company from country of origin.

Please note that all companies must also be incorporated in Antigua and Barbuda.

- (i) Memorandum and Articles of Association issued by the Financial Services Regulatory Commission for company incorporated in Antigua.
- (j) Certificate of Incorporation issued by the Financial Services Regulatory Commission for company incorporated in Antigua.
- (k) Business Plan. The following items must be included in your company's business plan:

CONTENTS OF BUSINESS PLAN

- 1. Executive Summary**
- 2. Company Background**
 - a. Business History
 - b. Growth, Profitability and General Financial Objectives
 - c. Legal Structure and Ownership
 - d. Company Location and Facilities
 - e. Non Detailed Plan for Financing the Business
- 3. Organization**
 - a. Organizational Structure
 - b. Management Team
 - c. Other Key Employees
 - d. Principal Stakeholders
- 4. Market Analysis**
 - a. Summary
 - b. Industry Analysis
 - c. Target Market
 - d. Customer Profile
 - e. Major Competitor & Complimentary Products / Services
 - f. Market Segmentation
 - g. Projected Market Growth and Market Share Objectives
- 5. Product / Service Offering**
 - a. Product / Service Summary
 - b. Product / Service Descriptions
 - c. Product / Service Uniqueness or Differentiation
 - d. Competitive Comparisons and Contrasts
 - e. Research and Development
 - f. Patents and Trademarks
- 6. Manufacturing / Production Plan (Optional)**
 - a. Current Plant Production and Capacity
 - b. Production Issues
 - c. Quality Control
 - d. Production or Manufacturing Staff

7. Marketing Plan

- a. Recruiting and Retaining Customers
- b. Product Pricing Strategy
- c. Product Positioning
- d. Sales and Distribution Plan
- e. Promotion Strategy

8. Financials

- a. Capital Requirements (Nature and Cost)
- b. Details of Financing
- c. Projected Income Statements (5 – 10 years)
- d. Projected Balance Sheets (5 – 10 years)
- e. Cash Flow Statements (4 – 9 years) [in “sources & applications of funds” format]
- f. “What if” Scenarios When Key Parameters Change
- g. Financial Analysis (profitability, leverage, debt-service ability etc.)

9. Risk Analysis

- a. Loss of Key Personnel
- b. Unanticipated Cost Increases in Critical Resources
- c. Disaster Mitigation, Control or Recovery

STEP 5 INCORPORATION OF COMPANY IN ANTIGUA

All companies applying to do business in the Free Trade and Processing Zone must be incorporated as an Offshore Company here in Antigua through the Financial Services Regulatory Commission (FSRC). This must be done even if the applicants have a company set up in another country. The Articles of Association / Memorandum and Certificate of Incorporation for this company must be submitted as part of the application process. A local Attorney, Accounting Firm or Management Company can assist with this procedure.

Please contact the Financial Services Regulatory Commission (FSRC) for information and costs pertaining to incorporating an Offshore Company. (268) 462 - 3372 (Tel) / (268) 481 - 1182 (Fax)

STEP 6 SUBMISSION OF COMPLETED FORMS

Submitting your completed application is a simple process. Review Steps 2, 3 and 4 to make sure that you are in possession of all required documentation. Please note that any incomplete application submittals will not be processed. Applications may be sent by regular post, registered post or courier service (FedEx, DHL, UPS).

Mailing information for the Free Trade Zone is as follows:

Free Trade & Processing Zone
P.O. Box 817
Coolidge
St. John's
Antigua
West Indies

Contact Information for the Free Trade Zone is as follows:

Telephone: (268) 481 - 1650 / 1 / 2
Fax: (268) 481 - 1672
E-mail: ftpzone@candw.ag

STEP 7 ACCEPTED METHODS OF PAYMENT

The accepted methods of payment by the Free Trade and Processing Zone are US cash and bank drafts drawn in US currency. The Free Trade and Processing Zone **does not** accept personal nor corporate cheques. Payment can be sent by registered post, courier service (FedEx, DHL, UPS) or delivered in person.

All bank drafts must be made payable to the Free Trade and Processing Zone.

STEP 8 PERFORMANCE OF DUE DILLIGENCE

Due Diligence is the process of acquiring objective and reliable information on person/s and companies applying to do business in the Free Trade and Processing Zone. The results of the due diligence must be favourable towards the applicant before a licence can be approved. Applicants will be notified of the results of the due diligence findings.

Due diligence, however, is an ongoing exercise for the purpose of continuous update on the licensed company, the shareholders, principal officers and clients. The licence granted can be revoked resulting from unfavourable discovery during the ongoing due diligence process.

The prescribed due diligence fee is US\$1000.00. This fee should be submitted at the same time as the completed application forms and required documentation.

STEP 9 PAYMENT OF LICENCE FEES

Licence fees are based on an individual basis. The following items are taken into consideration when deciding upon the licence fee the applying company will be charged:

- (a) amount of investment
- (b) number of jobs offered to Antiguan nationals
- (c) quality of technology transfer.

An essential part of determining the licence fee for a company is based on the contents of the comprehensive business plan submitted as part of the application process.

STEP 10 APPROVAL OF APPLICATION AND COMMENCEMENT OF OPERATIONS

The completed application documents will be presented by the Commissioner to the Free Trade and Processing Zone Commission for review and approval within fourteen (14) days of their receipt. The preliminary phase of due diligence must be carried out before a licence can be approved.

After due diligence is completed and if having regards to inter alia the findings, the Commission agrees to approve the application where the Commission is satisfied that the said business or enterprise described in the application has:

- (a) provided all application requirements
- (b) not been specifically prohibited by law
- (c) has paid the prescribed licence fee

It shall approve the application and issue to the applicant within fourteen (14) days of payment of the licence fee, a licence, authorizing the applicant to establish and operate within the Free Trade and Processing Zone the business or enterprise specified in the licence, for the time specified. Where the Commission refuses to approve an application, it shall, within fourteen (14) days of such decision, inform the applicant in writing.

Once the company has paid the prescribed licence fee and has been granted a licence to operate, it is then entitled to duty and tax exemptions as specified under section 14 of the Free Trade and Processing Zone Act, No. 12 of 1994. The entire process from application to licensing takes approximately thirty (30) days. However, the due diligence exercise might cause this time period to vary.

FREE TRADE & PROCESSING ZONE



APPLICATION PROCESS CHECKLIST

(a) Request for Application

- Letter to Commissioner requesting application form.
- Application form fee of US\$25.00.

(b) Submission of Application

- Completed Application for Licence and Registration of the Investment Therein - Part 1.
- Completed Application for Licence and Registration of the Investment Therein - Part 2.
- Completed Application for Licence and Registration of the Investment Therein - Part 3.
- Business Plan.
- Due Diligence Fee of US\$1000.00.

(c) Required Documentation to be submitted for all of the following persons:

- **Investors**
 - **Members of the Board of Directors**
 - **Corporate Principals**
 - **Key Personnel**
-
- Letter of recommendation from a practicing attorney or from some other reputable individual or firm.

- Police Record / Certificate of Good Character from the country in which the applicant permanently resides, and also from the country of origin of the person if their nationality differs from their country of domicile.
- Curriculum Vitae.
- Notorized copies of Passport, Driver's Licence and Birth Certificate.
- Bank and Credit Reference letters for individuals submitting a Part 2 form.

(d) Required Documentation to be submitted on behalf of the Company:

- Bank and Credit Reference letters for company.
- Memorandum and Articles of Association for incorporated company from country of origin.
- Certificate of Incorporation for company from country of origin.
- Memorandum and Articles of Association issued by the Financial Services Regulatory Commission for company incorporated in Antigua.
- Certificate of Incorporation issued by the Financial Services Regulatory Commission for company incorporated in Antigua.

(e) After Approval of Application

- Prescribed licence fee.