

Philippines One Person Corporation Tax Invoice

Our Client

Company Reg. No.: 921530

Our Client's address

Date: Thursday, April 16, 2020

Invoice No: 2020 – 005 – 009CH

Services for Philippines One Person Corporation (no travel)	Notes	Year 1 US\$	Year 2 US\$
Philippines One Person Corporation (OPC) registration fees (no travel)	1.	6,350	0
Locating Philippines office premises	2.	950	0
Philippines resident treasurer annual fees	3.	4,360	4,360
Estimate of Government license registration fees	4.	2,863	100
Tax and VAT registration fees	5.	750	0
Philippines OPC bank account opening fees (without travel)	6.	4,950	0
Healy Consultants Group engagement project management fees	7.	4,250	0
Estimate of annual accounting, audit and tax fees	8.	0	4,950
Total Healy Consultants Group fees payable this month	9.	24,473	0
Estimate of Healy Consultants Group fees payable after 12 months	10.	0	9,410

Note: I recommend you carefully read the notes below to confirm and understand all services required by your Firm, eliminating the risk of unwanted fee surprises during the engagement;

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Notes to invoice above

1. Healy Consultants Group's fees to efficiently complete the registration of a One Person Corporation (OPC) for Vectrus within [3 months](#) and without travel by **i)** opening a capital account with a Philippines commercial bank for injection of the paid up capital of US\$200,000 by the shareholder **ii)** legally minimize Filipino tax and **iii)** choosing the optimum corporate structure for our Client's business activities in the Philippines and **iv)** settle accountant and lawyer fees and **v)** submitting a high quality company registration application to the [SEC](#);

Foreign investors can only register a Philippines OPC if their business activities fall under those that are allowed by the Philippines Government for [full foreign ownership](#). During the engagement and to confirm our Client's business allows for 100% foreign ownership, Healy Consultants Group will secure **i)** a welcome email from the SEC and **ii)** written opinions from multiple local lawyers and accountants;

Before approving the registration of a Philippines corporation, the Philippines Government will require our Client to appoint three individuals to the following roles **i)** one of them as shareholder of the entity (corporate entities currently not allowed) and **ii)** the two others as "replacement shareholders", both agreeing to become shareholders in the event of the death and/or incapacity of the shareholder of the entity. Both roles can be fulfilled by non-resident foreigners. However, the three of them must secure a local personal tax identification number (TIN). Healy Consultants Group's fees to secure a TIN for three of our Client's staff free of charge. If our Client requires more than 3 applications, our additional fee will be US\$350 per TIN secured. The TIN are usually released by the Philippines Government within 3 weeks;

All [engagement fees](#) (click link) are agreed and paid up front and agree to the fees published on our country web pages. Consequently, there are no hidden fees, surprises or ambushes throughout the engagement. All engagement deadlines are agreed up front in the form of a [detailed project plan](#), mapping out [deliverables](#) by week throughout the engagement term;

Every week during the engagement, Healy Consultants Group will email our Client a [detailed status update](#). Our Client is immediately informed of engagement problems together with solutions. Your dedicated engagement manager is reachable by phone, Skype, live chat and email and will communicate in your preferred language;

2. Before approving the registration of a Philippines corporation, the Philippines Government will review and approve a lease agreement for physical office premises. Over the coming weeks, Healy Consultants Group will supply our Client with a table of office space solutions in Manila. The monthly rent thereafter will be paid independently and directly to the landlord by our Client or its Philippines company. Estimated monthly rent payable for shared office space in the Philippines amounts to US\$350;
3. Based on the [Republic Act No. 11232](#) and the [SEC Memorandum Circular No. 7 of 2019](#), an OPC must appoint a Treasurer that is resident in the Philippines. To meet this legal requirement, Healy Consultants Group will supply Vectrus with a professional, passive nominee resident treasurer. Healy Consultants Group's fee for this service is US\$3,420 per year;

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4. This fee is an estimate of Government costs payable during the engagement. All Government fee payments will be supported by original receipts and invoices. Examples of Government costs include **i)** reserving the OPC name with the [Securities and Exchange Commission](#) (SEC); **ii)** submission of the articles of association of the OPC with the SEC; **iii)** registration with the local Government Units (Barangay and Mayor's Office) where the registered address of your business is located and **iv)** registering the OPC with the [Bureau of Internal Revenue](#) and Social Security System. Following engagement completion, Healy Consultants Group will refund our Client any excess of funds received over actual Government costs paid;
5. In accordance to the Philippines [Tax Code](#), each OPC must register for tax at the [Bureau of Internal Revenue](#). The annual sales threshold for VAT registration is PHP 1,919,500;
6. Without bank signatory travel, Healy Consultants Group will be pleased to secure local corporate bank account numbers for our Client's Philippines business. In summary, Healy Consultants Group's strategy will be as follows:
 - ✓ Our team will prepare a quality business plan to attract a welcome email from our preferred bank in each country, inviting a formal application. The business plan optimizes the probability of this bank approving bank account numbers. As you can appreciate, it is difficult to obtain bank approval for when shareholders, directors, and signatories reside overseas;
 - ✓ To timely complete the above, we recommend our Client keep [the corporate structure simple](#);
 - ✓ To hedge the risk of our preferred bank not approving the release of corporate bank account numbers in a timely manner, Healy Consultants Group will also submit a multi-currency corporate bank account opening application to at least one additional backup bank. In accordance with Healy Consultants Group's "[guaranteed corporate bank account approval or your money back](#)" policy, our additional fee per additional corporate bank account approved is US\$1,250;
 - ✓ There is a 50% probability that some banks' in-house Legal and Compliance Departments will demand the new bank signatory and non-resident director to travel to Philippines for a one-hour interview before the bank account is successfully opened. That said, Healy Consultants Group will aggressively and skillfully negotiate with the bank for a travel exemption. If travel is required during the engagement, our Firm will refund US\$950 and action [this travel policy](#). If the bank also requests Healy Consultants nominees visit the branch, there will be an additional fee payable to cover disbursements;

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Global banks [continue to tighten](#) corporate bank account opening procedures, and their internal Legal and Compliance Departments are completing more thorough [due diligence](#) of bank signatories, directors, shareholders, and UBOs. During the engagement, the bank will likely revert to Healy Consultants Group and our Client to request additional KYC information, including **i)** details of existing business setup **ii)** reason for opening bank accounts in Philippines **iii)** proof of business globally and in-home country including evidence of contracts, invoices, and agreements with local Clients and **iv)** list of suppliers and Clients in each country **v)** lease agreement; and **vi)** evidence our Client and its directors and shareholders are complying with their local personal and corporate tax reporting obligations. As always, Healy Consultants Group will liaise with the bank to secure exemption from these requirements. We assume our Client will timely supply this information and supporting documents, or there will be a delay;

Because global interest rates are low, international banks make little profit from current accounts. Consequently, international banks' appetites for new multi-currency corporate bank account applications is low. As a result, the USA and other global banks are more likely to reject multi-currency corporate bank account applications. Because of the above, customer demand for new corporate bank accounts is very high. Consequently, international banks choose vanilla customers that tick all the boxes of a low-risk Client. For example, most banks will only welcome multi-currency corporate bank account applications from a company registered in the same country, with local staff and office premises;

When dealing with international banks, the front office bank officer is willing to help Healy Consultants Group and our multi-national Clients. The realistic role of this bank officer is to collect information and ensure an accurate and complete multi-currency corporate bank account application is submitted to the bank in-house Legal and Compliance Department. Unfortunately, the bank in-house Legal and Compliance Department has the ultimate power of approval over multi-currency corporate bank account applications. This Department is extremely risk-averse and often lacks commercial reality. Furthermore, the in-house Legal and Compliance Department does not speak to customers nor to Healy Consultants Group. All communications must go through the front office bank officer. Consequently, quality Clients do not get a chance to communicate directly with bank decision-makers and properly explain their business and the risks the bank perceives;

Global banks enjoy the ultimate power of approval of corporate bank account applications. Guaranteed success is, therefore, outside Healy Consultants Group's control. What is within our control is the preparation and submission of a high-quality application that maximises the likelihood of approval. All banking charges, certification and translation and other third-party fees incurred during the corporate bank account opening process are to be borne by our Clients, never by the nominees. These additional fees are to be payable in advance of any disbursement.

7. Healy Consultants Group [project management](#) fees relate to time and resources dedicated to:
- a. thoroughly research and plan OPC incorporation for our Client's OPC;
 - b. devising strategies to **i)** minimize engagement period and **ii)** avoid need for a national shareholder;
 - c. Source quality solutions for office space legal requirements;

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- d. submitting a high-quality licensing application to the Philippines Government and Central Bank;
 - e. choosing the optimum licensing strategy for our Client's business activities;
 - f. collating and supervising the legalization and attestation and translation of Client's documents;
 - g. weekly detailed engagement status updates to our Client and Friday conference calls;
 - h. payment of retainer fees to multiple local lawyers and accountants;
 - i. ensuring OPC complies with local regulations and legally owns and controls the new entity;
 - j. ascertain the specific accounting, tax, legal and compliance considerations;
 - k. finding solutions to challenges that occur throughout the engagement;
 - l. determining the local tax obligations of the business entity, including corporate income tax, withholding tax and sales taxes.
8. For an active trading OPC, these [accounting, audit and tax](#) fees are an estimate of Healy Consultants Group fees to efficiently and effectively discharge your annual OPC audit, accounting and tax obligations. Following receipt of a set of draft accounting numbers from your OPC, Healy Consultants Group will more accurately advise accounting and tax fees. For a dormant OPC, Healy Consultants Group fees are only US\$950;
9. All fees quoted in this invoice correspond to fees quoted [on Healy Consultants Group website](#). Please review this invoice carefully to identify errors. During the rush of the business day, it is possible that Healy Consultants Group inadvertently made fee calculation errors, typing errors or omitted services or omitted historic fee payments from Clients. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advance if I or my staff made invoice errors;
10. Assuming our Clients re-engage Healy Consultants Group in year 2, this fee is an estimate of the fees payable next year, 12 months after the date of OPC registration;
11. The fees quoted in this invoice are a prediction of the fees required to efficiently and effectively complete this engagement in a timely manner. If during the engagement Healy Consultants Group realizes that the project is more complex than anticipated, requiring a large additional investment of time, my Firm will revert to request additional fees. If Healy Consultants Group completes the engagement faster and more easily than expected, Healy Consultants Group is happy to refund some fees to our Client;
12. The minimum capitalization of a foreign-owned OPC varies depending on the type of business activity. In general, a paid up share capital of US\$200,000 is required and must be deposited to a Philippines corporate bank account before OPC incorporation is complete. This paid up share capital can be reduced to US\$2,500 if 60% of the revenue is received outside of Philippines; If possible, Healy Consultants Group will be pleased to deposit the share capital into the bank account, on behalf of our Client;

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13. In addition, the Philippines Government will require Vectrus Inc. to subscribe to a surety bond of at least US\$20,000 with the [SEC](#). The value of the bond must be at least equal to the amount of authorized capital of the corporation. This deposit is refundable after de-registration of Vectrus Philippines;
14. Depending on our Client business and nationality, the Philippines Government may require a special regulatory license to carry on your business in the country. Healy Consultants Group will assist our Client secure license approval. However, the Government enjoys ultimate power of approval of OPC registrations and business licenses;
15. If our Client and Healy Consultants Group properly plan this engagement, our Clients will **not** have to travel during this engagement. Healy Consultants Group will efficiently and effectively complete company registration and corporate bank account opening in a timely manner without our Client presence. Instead, our Client will need to **i)** sign and get documents legalized in the embassy in their country of origin and **ii)** courier the originals to Healy Consultants Group office;
16. If required, Healy Consultants Group will be pleased to assist your firm to secure employee [visa](#) approvals. Our fee is US\$3,950 for the first employee, US\$3,950 for the second employee, US\$2,950 for the third employee; and US\$1,950 per employee thereafter. Our fees includes preparation of a quality visa application and submitting to the correct Government immigration officers. The Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants Group control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval;
17. Healy Consultants Group's fees to complete monthly bookkeeping services for our Client is US\$950/month. This fee is an estimate based on the average fees we charge our Clients with up to 3 employees and with minimal transactions. Only after we complete the first 2 months bookkeeping can Healy Consultants Group accurately advise future monthly book keeping fees. The book keeping fees quoted in this invoice are a prediction of the fees required to efficiently and effectively complete this task in a timely manner. Healy Consultants Group fees for monthly VAT filing amounts to US\$250 per month. Our fee to provide your Firm for payroll processing for 3 employees amounts to US\$700 per month;
18. As stipulated on our [business website](#) and in section 3 of our engagement letter, Healy Consultants Group will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter;
19. Healy Consultants Group will only incorporate your company after 75% of [due diligence documentation](#) is received by email. Healy Consultants Group will only open a corporate bank account after 100% of the Client's original due diligence documentation is received by courier;
20. Engage Healy Consultants Group to [project manage](#) business set up in every country on the planet. We are the best in the [world](#) at what we do, timely completing [the A to Z](#) of every country engagement;

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21. It is important our Clients are aware of their personal and corporate tax obligations in their country of residence and domicile. Let us know if you need Healy Consultants Group help to clarify your local and international annual tax reporting obligations;

22. During the engagement, shareholders and directors' documents may need to be translated into the local language; before the Government and Bank approves OPC registration and corporate bank account opening respectively. Consequently, our Client should budget for possible additional translation and embassy attestation fees. Either our Client or Healy Consultants Group can complete this administrative task;

As always, Healy Consultants Group will negotiate with all third parties to eliminate or reduce additional engagement costs. For transparency purposes, all third-party fee payments will be supported by original receipts and invoices. Examples of possible third-party payments include **i)** embassy fees **ii)** notary public costs **iii)** official translator fees;

23. Some of our Clients require an **immediate country solution**. With this strategy, Healy Consultants Group can supply within two weeks to our Client **i)** an existing dormant OPC number and **ii)** an already approved corporate bank account number and **iii)** a business address. Turnkey solutions are attractive to those entrepreneurs who wish to immediately close a country deal, sign a contract or invoice a customer;

24. During the annual renewal engagement with our Client, our in-house [Legal and Compliance Department \(click link\)](#) reviews the quality and completeness of our Client file. Consequently, Healy Consultants Group may revert to our Client to ask for more up to date [due diligence documentation](#);

25. Some of our Clients engage Healy Consultants Group to [recruit](#) local employees. We have a lot of experience in this area and we are quite skilled at securing quality candidates for our Clients';

26. To efficiently and effectively complete your engagement in a timely manner, we recommend your Firm transfers these funds to Healy Consultants Group corporate bank account. Thereafter, our Incorporation and Banking Team will aggressively advance your engagement, providing your Firm daily feedback as to engagement status. I would be grateful if you email us the bank transfer advice slip to enable my Accounting Department to accurately and timely identify bank receipts.

Thank you for your business and we look forward to working closely with you over the coming months as we engineer your Philippines corporate structure.