TAB 1

Using an Offshore Merchant Account

By John Schroder

Using an Offshore Merchant Account

Many of our clients are interested in ways to reduce their current tax liability with the current business they have. Some are concerned about ways to move some of their assets **"offshore"** without throwing up a **"red flag"**. Others are interested in setting up a new business, perhaps via the Internet, and need a way to accept credit orders. Regardless of the need or concern, an **"Offshore Merchant Account"** may be the ideal answer for you...

A merchant account is basically an account or facility that allows you to accept credit card orders from your customers.

It's that simple. If you accept credit card orders already wit you are already familiar with this. **But what is the differen using an "offshore" card processing service vs. a local**

Well, one thing that is certainly true about the US credit carc very competitive. This has been both a good thing for both c alike. As a consumer, you know that interest rates charged c come down. For business owners, it has meant that where a the past to process your customer's credit card purchases, tl about 3% on average. All positive news. But, there are still businessman wanting to set up his or her own merchant acc

One major problem is of course the application requireme requirements. Some banks or credit card processors will not unless your business has been operating for two years or mc deposit of $ 5,000 or more.

Some others even want to **"hold back"** your monthly card payments as an additional **"security deposit"** for possible **"charge backs"**. In addition, especially in the case of US banks, they act as if they are doing you a favor to take your business. Aside from all this, we know of some clients that have had their merchant account **"pulled away"** simply because their business started to grow. **What am I talking about?** Well, because every US bank is now paranoid about such things as **"money laundering"** and **"suspicious transactions"**, any sudden change in your business volume sparks a reaction. We know of one client that was given a **"we are closing your account"** letter by his US bank, because his monthly volume went from $ 10,000 per month up to $ 18,000 per month in a fairly short time. The bank said it was **"suspicious"**. The client said it's called **"advertising".** Well, you know what they say, people that fail in business end up in banking **(I went from banking to business, so I guess I graduated).**

This is one reason why you may want to look for a bank or c understands your business, your needs, your problems - anc **you find someone like that?** Well, it all starts with being a backyard.

Most people would agree that technology and modern provided at least some benefit. We now have fax machines, Internet. What many people do not think about however, is t become a much smaller place. What this means for **the busi** are **"locked in"** to doing business with just the bank or com can literally "shop the world" for the best rates, the best pro ever. You now can do business with a bank or credit card pr Holland, or any place else just as easily as **"the bank down** out of ten, you will find the level of service to be much bette the world, then you will with your neighborhood bank. Why? they are willing to prove it. The other benefits are obvious. I best place to begin is by becoming virtual in fact.

An **offshore merchant** account places you in a virtual / offshore jurisdiction with favorable tax consequences.

The problem of course with some offshore banks or credit card processors are the higher processing fees, when compared to current US rates. The fierce competition that has been seen in the US, has not reached some parts of the world, at least not yet. However that is slowly changing.

In addition, such things as **"Internet Banking"** and offshore merchant accounts are new services that many offshore banks are just starting to take a look at. **Even in a banking location such as Panama (with over 130 banks)**, these services are not even available with a handful of banks. However, we did find a very reliable credit card merchant account service provider that wants to change all that.

They are based in Europe, they have been in business for over 30 years, and their fees are extremely competitiv **and especially their "offshore" competition).** In addition, they will gladly accept a new business without an

This is the type of company to work with, because they want to work with you.

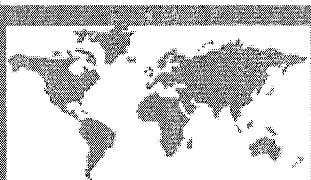
I know what you are probably thinking, **"This all sounds very interesting, but what is the real benefit for offshore merchant account provider".** Well, being able to get better service, little or no hassles getting your perhaps no deposit requirements are only the **"tip of the iceberg"**. The real benefits to you as a business own(reduction opportunities that become available through the use of a separate offshore-incorporated company to h for you. In addition, you also have a very legitimate and convenient way to get your business profits offshore. **T** have an offshore bank or merchant company process your credit card transactions for you, your money already i case, you now have the means to really make the most of your business income and keep more of what you earı

For additional information about obtaining an inexpensive **offshore merchant account**, or forming an offshc
strategies for your current business, please contact our office.

John Schroder
Ascot Advisory Services
Tel. 809-334-5387 or 809-293-9427
Email: info@ascotadvisory.com -
Visit our web-Site: http://www.ascotadvisory.com

TAB 2

Ascot Advisory Services



- Offshore Company Formation & Incorporation Services
- Panama Foundations - Panama Legal Services
- Offshore Merchant Accounts & Tax Free US Dollar Banking
- Asset Protection Tax Information Small Business
- News Articles & Information for Today's E-Commerce Business

Telephone Direct Dial USA *809 - 334 - 5387 or 809 - 756 - 1917*

Email: info@ascotadvisory.com

| Return to Main Section | Related Articles regarding Merchant Accounts & Small Business |

John Schroder, of Ascot Advisory Services, writes for a number of on-line and print publications, in addition to his popular Weekly Update news bulletin. The following article was reprinted from either the weekly update news bulletin, or is an aritcle which may have appeared in another on-line or print publication written by him .

The Weekly Update news bulletin offer news and commentary regarding a number of issue which are of interest or concern to clients. Such topics may include offshore company formation, trusts, banking, investing, real estate, expatriate matters, residency & second passport matters, and other topics concerning the Dominican Republic & Panama.

Click Here To Use Our Reply Form

Everything You Wanted to Know About Offshore Merchant Accounts

(but did not know who to ask)

The ability to accept Visa or MasterCard payments from your customers is an integral part of operating your business, but where do you go for such a service? Certainly, US banks have been the previous leaders with regards to e-commerce and the facility to allow merchants to process credit card transactions online. Competition in this area has also meant that Merchant Account Companies located in the US, or US banks, have traditionally offered some of the lowest processing rates as well. But, what if there was some reason why you preferred not to conduct your banking or credit card processing in the US? What if it were possible to gain some taxation, privacy or other benefits from transacting your credit card processing some place else?

This really is the key point when we start discussing the idea of an offshore merchant account. That is to say, maybe your business is considered distasteful to a US bank or processor (adult entertainment or online gambling). Maybe the US bank or processor will not accept you because you have a new company or business. Maybe your business is very simple (such as selling music, toys, books, crafts, jewelry or even operating a travel agency) but you want to make sure your business remains secure and you want to take advantage of available taxation benefits someplace else. If this is the case, then perhaps looking for an offshore merchant account makes sense. But, the question then becomes what should you know about an offshore merchant account?

To start off, it should be understood that processing credit card transactions with an offshore bank or processor is no different than what is involved with a US or your current domestic bank. Stated another way, information is passed through to the offshore bank, and is processed, just as it is done anywhere else. It works the exact same way. The only thing that may be different is how you are treated and internal policies of the bank or processor involved.

For example, it may be the case that the US bank or processor will only accept a US incorporated company as a client (the application is in the name of an incorporated company). In addition, a large up front deposit may be required as well, especially if the company does not have an earnings or credit history. In this regard, you can certainly find offshore banks or processors which will gladly accept an offshore company as a client (Belize IBC, Panama Company, etc., etc.). Many will not require an up-front deposit as after all, the bank or processor has your money to start off (or will be collecting revenues from card transactions for your account, to be later forwarded on to you or your company). It can be said then that an offshore bank or processor might be somewhat fairer if you have a small or new company (or business).

What is also true, however, is the fact that because of this no deposit requirement, the processing rates might be higher or the hold back period longer. Let us look at these two points separately. First, with regards to rates, it is true that a US based processor will probably charge about 2.5% to 3.5% for processing your customer Visa or MasterCard transactions. An offshore processor might charge 6%, or much more. This is partly due to lack of intense competition, but also partly due to the fact that bank fees outside of the US are higher as well. Higher costs to process, due to the bank's fee, translate into higher processing costs. In addition, higher risk businesses, or those with above average charge back ratios, may expect a higher processing rate to cover the risk. As an example, there are of course some banks or processors that will accept online casino, telemarketing or adult entertainment clients, but will also charge much higher processing rates accordingly. These businesses historically have had higher than normal problems with issues such as stolen credit cards, or cases whereby the client charges back (calls his or her credit card company and claims fraud or theft after the sale has taken place). Telemarketing firms tend to use high-pressure sales techniques, whereby the client quickly changes his mind later on, which only leads to a lost sale or charged back sale. In the case of online gambling, there are some people that do claim their card was lost or stolen after finding out that they lost the bet they charged at the virtual slot machine (or roulette, poker, etc.). No one ever claims their card was lost or stolen when they win. The point is, it may be possible to find an offshore bank to take on such risky business, but the merchant offering such a service will pay a higher than normal rate accordingly.

The issue of how quickly a bank credits the merchant is also directly related to charge back risk as well. The supposed policy of Visa & MasterCard is that they will not honor a charge back after six months, but they themselves have broken this rule often enough. The risk for the bank or processor is, the merchant is paid (probably to another bank in another country), and sometime later those credits are reversed by Visa or MasterCard. To address this, some banks will credit the merchant within 48 hours of the sale, but only to an internal bank account (that the merchant has with the same bank). In this situation, the money is not leaving the bank and they still have some control with regards to potential charge backs. In other cases, it may be the policy where the bank or processor pays out every 30-days, or some variation (weekly, bimonthly). Again, this is to allow at least some time to pass for assurance that there are not any charge backs coming in, and not for any other reason.

Is this a common problem? For most merchants, the answer is no. The acceptable ratio or charge-backs for Visa or MasterCard (which is in turn the same ratio imposed by the bank to the merchant) is about 1%. In truth, some merchants never have any charge backs. That is to say, customers never complain or contact their credit card company to claim a false or fraudulent charge. If the merchant delivers the product in a timely manner, and the product is in good condition or is what the customer in fact ordered, charge backs are a rare occurrence. However, in all fairness, just as there are bad merchants (online marketers that don't deliver on time, etc.), there are also bad customers as well (who do receive the product and try to get out of paying).

The issue of charge backs is really the only concern any bank or processor really has when dealing with any merchant. Most offshore banks or card processors do not care about the type of business you have or what you are selling, providing you are using ethical sales or business practices. This is truly one major difference between offshore banks and US banks. Many US banks have taken the position of going beyond due diligence or looking at a potential client with regards to business. As an example of this, we have heard of a European Cheese Company that lost its US merchant account after five years because of their name. You are probably thinking, that is ridiculous. It is ridiculous, but true. What was the name of the innocent cheese company selling a good product via mail order & online? Hardon, which the US bank suddenly decided after five years, was in fact connected to an adult entertainment business (or maybe they thought something more sinister, such as products designed for male sexuality). In any event, the cheese company lost its US bank merchant account, and so it goes with the people running US banks today.

Investigating the idea of an offshore merchant account, or offshore banking relationship, goes far beyond those businesses which may have difficulty, such as a new business, an company incorporated offshore, or a so called sin related business. It also is a matter of protection and privacy. Even if you have what may be deemed a clean and honest business, and your customers are very happy, you could still find yourself involved with a lawsuit or government tax audit. The modus operandi in the US seems to freeze the bank accounts & seize the assets first, then ask questions later. So, having your credit card transactions processed and held somewhere else means that at least the company's accounts are no so easy to get a hold of. There are of course two sides to this point or method of doing business. We can argue for example, that some companies may have fraud or other things on their mind (and perhaps the customer funds are out of reach). However, I tend to think that the vast majority of people that operate any business want to stay in business. That is to say they want to do what is correct, or conduct themselves so customers are happy and the business grows as a result.

Looking at this from some real life examples of someone who is honest and was almost ruined due to an IRS tax audit, we know of one businessman that had his accounts frozen for 18 months. Even after he visited the IRS offices with his accountant, and after the IRS admitted they were wrong (and found all of his books and tax documents to be correct), it took him 18 months of fighting with the government to get his business & personal accounts unfrozen. The point to all of this is, you could have the situation whereby your life and business is disrupted even though you are innocent of any wrong doing. Protecting your business and your business operations (ability to stay in business) is something to consider quite seriously.

Some Commonly Asked Questions About Offshore Merchant Accounts:

Apart from any differences is processing fees, What are the other advantages of processing offshore?

One of the benefits that many merchants do not think of, is the possibility of accepting even more types of credit cards which they might not be able to accept with a US bank. For example, aside from accepting Visa & MasterCard, it could be the case your offshore bank or processor can allow you to accept Maestro or many of the European Bank Debit Cards. This is an important point, especially if you are marketing to customers in Europe.

Again, focusing on Europe, it may also be the case your offshore bank can accept card processing in foreign currencies, and offer a disbursement to the merchant (to you) in a foreign currency also. This might not seem like such an advantage, but let us assume you are accepting orders from customers paying in US Dollars, German Marks and French Francs (via their credit cards). Let us also assume that your base currency is British Pounds, or that you prefer all proceeds be sent to your bank in British Pounds (or Swiss Francs, etc.). The offshore bank or offshore processor might be able to do this where as the US bank could not (or would not).

There are many programs advertised on the Internet. How do I know which one is good?

Just as with any other product or service, how can you compare two products or companies with different pricing schedules or fees? This might come down to getting what you are paying for (or not), or it might just be a case of competition. It is difficult to paint each program with the same broad brush, but the true answer is to find a bank or program that provides what you want. If a merchant account program is free, but you have problems getting your settlement or consistently have customer service problems, such a program may not be a bargain at any price.

For example, there are many companies marketing merchant accounts online, whereby the sign up (and set up) process is inexpensive and all done online. Some clients have been pleased with such programs, while others have complained about not getting their proceeds (settlement) on time or have complained about customer service problems. Certainly, it may be the case that such a company is working off of quantity, not quality. That is to say, they would rather sign up as many merchants as possible, and not worry about being able to service all of them properly.

There also may exist some banks, or providers, which may have higher processing fees or charge a set up fee. However, perhaps it is the case that you are assigned an account officer to work with, or that you are given some extra services (or attention) that might not be available elsewhere. Each bank or merchant account provider has its own strengths and weaknesses, so find one that suits you best.

Why is it that some banks or merchant account firms have said they have no problem with a high charge back rate, yet others have been very strict in this regard?

Keep in mind that it is Visa or MasterCard, which issues a license agreement or approval to a bank for processing of their credit cards. It is also Visa or MasterCard which puts pressure on the bank to use proper procedures to keep its overall charge back ratios at 1% or less. It is not necessarily true that the bank or the merchant account processor is trying to give you a hard time, but the issues starts at the top (Visa or MasterCard) and roll downhill (the bank doing the processing, and ultimately you, the merchant).

How is it possible that some banks or processors can take a high-risk client and get around this? In most cases, they are probably pooling the high-risk client together with all of the low risk clients (those clients with a 1% or less charge back ratio). We can illustrate this with an example. If the bank has $ 100 Million dollars in monthly processing of low risk clients (less than 1% charge backs), and they add on an additional $ 1 Million in monthly volume for a high risk client (let us say 20% charge back ratio), the net average is still below 1%. Remember that in reality, the bank is the direct client of Visa or MasterCard and you the merchant are the direct client of the bank. Visa and MasterCard leave it up to the bank to implement whatever internal policies or controls, provided that the end result is, the issue of stolen credit cards and charge backs is controlled. So, it is not the case whereby one bank or Merchant Account Company has a special arrangement or better deal with Visa or MasterCard than another. However, it could the case, that one may have enough volume and internal controls in place to accept higher risk business and still remain in compliance with the credit card companies (Visa or MasterCard).

Why are there different policies regarding up front deposits and hold back of processing money generated by credit card sales?

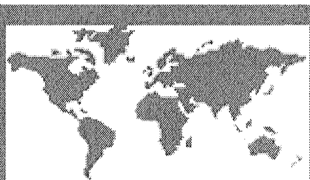
What we are talking about here is risk, specifically charge back risk. Some banks or processors may agree to pay out 100% of your proceeds right away, but only if you agree to an up front security deposit equal to one months volume, or whatever their formula is. Others may not ask for a large up front security deposit at all, but may instead hold back a portion of your proceeds as security. Often this involves what is known as a rolling reserve. Simply stated, this involves the withholding of perhaps 5%, 10% or more of your monthly processing volume. In most cases, the bank or merchant account processor will release these funds to you over time, usually every six months. So, with this type of arrangement, you may obtain 90% (as an example) of your credit card proceeds every month for the first six months. Beginning with month number six, you obtain 90% of your processing volume for that current month, plus the 10% with held from month number one. In month number seven, 90% of the processing volume from month number 7 plus the 10% reserve from month number two, and so on.

For the small business with limited cash flow, obtaining a merchant account which does not require a large up front security deposit certainly makes things easier. However, the flip side of this involves the bank or processor holding back some of the proceeds as a reserve against possible charge backs.

The real risk for any bank or processor is ultimately a case whereby they pay out all of the credit card proceeds to the merchant, and then get stuck with reversals of those credits later on (charge backs from Visa or MasterCard). For this reason, the bank or processor is always concerned that some of the merchant's funds are reserved or secured to cover such occurrences.

TAB 3

Ascot Advisory Services



- Offshore Company Formation & Incorporation Services
- Panama Foundations - Panama Legal Services
- Offshore Merchant Accounts & Tax Free US Dollar Banking
- Asset Protection Tax Information Small Business
- News Articles & Information for Today's E-Commerce Business

Telephone Direct Dial USA *809 - 334 - 5387 or 809 - 756 - 1917*

Email: info@ascotadvisory.com

| Return to Main Section | Read Offshore News Interview | Merchant Accounts

John Schroder, of Ascot Advisory Services, writes for a number of on-line and print publications, in addition to his popular Weekly Update news bulletin. The following article was reprinted from either the weekly update news bulletin, or is an aritcle which may have appeared in another on-line or print publication written by him .

The Weekly Update news bulletin offer news and commentary regarding a number of issue which are of interest or concern to clients. Such topics may include offshore company formation, trusts, banking, investing, real estate, expatriate matters, residency & second passport matters, and other topics concerning the Dominican Republic & Panama.

Click Here To Use Our Reply Form

A Tax Free Offshore Small Business
(and related topics)

A number of clients have been contacting us regarding business related topics, namely Offshore Merchant Accounts & operating an on-line business. Is it really possible to operate an Internet Business in a tax-free offshore environment? Is it possible to find good web hosting services or credit card processing services offshore? The answer is yes to all. But for those that are concerned about the future for e-commerce, take a look at the following brief online article first:

http://searchhound.iz.com/Howl/Articles/Display/0,,articleId=573,00.html

Let us examine some very basic premises why any on-line business is one that is almost impossible to tax (if set up properly), and also discuss some basic ideas about the Internet. An on-line Internet business or shall we say ecommerce business is basically an extension of the traditional mail order business. The only new twist is that the catalogs are now on-line (on the Internet). This makes it much easier for customers to find what they want, and it makes the task of updating new products much quicker and easier. For all practical purposes, the Internet is a medium, which allows almost any business to present their products or information to customers in a quick, convenient and inexpensive way. So, we can then say, the Internet is a medium for not only mail order type of firms, but also real estate agents, travel agents, and any other kind of business as well. With regards to the tax question, much of this comes down to breaking the previous definitions of how or why a business might be taxed. Who owns the Internet? Where is the business or merchant located? From where are the company products delivered, or where is the order fulfillment end of things done? What if the order fulfillment service was a separate company that was located in a high tax jurisdiction such as the US or Europe, but the sales were completed somewhere else in a more tax advantaged place (ex. no tax)? In other words, what if the company sending the product was a different company than the one making the sales order, and the company sending the product did not make much taxable profit at all? The consumer really does not care, providing they get the product they want, and that the customer's expectations are met (quality product, timely delivery, etc.).

The taxation end of things really comes from the problems, which always existed with the mail order industry. For example, if you live in Ohio, but order from a company in California, you pay no sales tax (or shall we say the company in California is not required to collect sales tax when the customer is not a resident of California). Let's expand this out further to discuss a mail order company in Taiwan and a customer in Italy. Who pays the sales tax? Who collects the sales tax? If you think the company in Taiwan has any intention of paying sales or any other kind of tax to Italy simply because someone from Italy ordered a product, you can forget it. What if the company was not in Taiwan, but was say in Panama, or located inside a tax-free zone in the Caribbean, and has zero corporate income tax by law (or local legislation)? While such a prospect was a pain to set up before, all things are possible with the Internet and related advances with communications. Even telephone rates have made it cheap enough in some countries to telephone in your order half way around the world (should you still like the idea of speaking with someone, as opposed to filling out an on-line order form). The point being made is, it is almost impossible to effect or collect sales or other kinds of taxes from another state, or from another country. Interestingly enough, all of the OECD countries are banding together to fight so-called money laundering, and in effect gang up on the smaller tax haven nations with respect to taxation or reporting matters. But I wonder how long the good feelings will last as a cohesive group when they start cannibalizing each other's tax revenues? What a cat-fight that would be, each government claiming sales or other taxes due from the other, each with different tax rates and different kinds of tax rules. What happens when the US government tells the government in France, that the French tax authorities owe the IRS $ 50 Million Dollars? What happens also when both countries agree to a settlement of taxes (where each agrees to pay the other) but there is a gross difference in the amounts? What do the French people have to say when the government of France cannot fund their own social programs because they must send tax money off to the US, so the US can fund their own social or other tax supported programs?

Sound far-fetched or is this a real possibility? Well, consider the fact the US currently owes US$ 1.3 Billion Dollars (that's Billion with a B) in back membership dues to the United Nations. An organization located in New York and in part founded by the US. Why haven't they paid? Well, the US claims they disagree with the way the UN is operated. The US also claims they want the rest of the world, specifically smaller developing nations, to kick in more money. Whether you agree that the UN is a good organization or not, this is really not the point. What is interesting, is the fact that we have one large country with holding cash payments because they claim they do not like what another country or an international organization is doing. Yet, that same country continues to feel justified in dictating economic policy, politics and morality to the rest of the world. I am not trying to highlight some negatives with regards to the US, but it is always interesting to see how money owed to another country (or entity) comes into play, and how it is used for manipulation (on both sides). Equally of interest is the prediction of how all of these issues will play out going forward, especially when we bring in the topics of taxation and other things. So, maybe the US will promise something to another country if the other country does what they want (like asking the small country to become a tax collection or reporting agent for the US). Of course, they could then take it away at the last minute (the money, promise, etc.) or claim they do not want to pay after all. What is good for the goose, is also good for the gander.

But, with all of this said, it does not mean that many countries have not attempted to tax the Internet or e-commerce. The problem is that you cannot apply traditional rules of taxation as before. For example, point of sale is usually determined at the company's place of business. If you walk into ABC hardware in Lansing, Michigan then we know you purchased something in that particular place. If you walk into a shop located in London, we know you made a physical purchase in England (and that sale or purchase is subject to local sales tax, etc.). But what is the point of sale for the Internet? Is it your home computer or is it the other end on the company's server? If it is your home computer, does this mean your home computer is a place of business (maybe then all computer purchases and related use is tax deductible as a business expense, even if you don't have a business)? If it's the company's place of business, and that location is in another country, I refer you back to the paragraph above.

In the past, the US claimed that all Internet traffic (in theory) passes through US telephone lines and therefore all Internet sales are taxable by the US (or the state jurisdictions therein). Nice try, but you can just imagine what the rest of the world had to say about it (see the paragraph immediately before this one). Other countries have taken a more pragmatic approach, stating that the previous method of tax assessment is the same and that the web site's location would be a determining factor. In other words, regardless of where the business was physically said to be located, if your site was hosted inside a certain jurisdiction, than this in effect is where your place of business is located. Australia for example, recently claimed they would now tax all Australian domiciled Internet businesses at a rate of 50% income tax (how nice for them).

What Australia, and any other country with this point of view, fails to realize is that web sites can be hosted anywhere. If the tax problem centers around where your site is hosted, then simply move it to a place that does not assess taxes simply because you host your site on a server inside their country.

With respect to offshore web hosting, Mr. Tony Betts of INSATCOM has contacted us recently to make clients aware of his services from Dominica. Tony has told us that Dominica offers very good communications infrastructure and protection under the confidentiality laws that exist as well. For more information contact Mr. Tony Betts, No. 7 Canefield Industrial Park, Commonwealth of Dominica, Tel. (dial 011 first from US) 767-449-0954 or Fax 767-449-3032. Email Tony directly: tony@insatcom.com Rates for web hosting can be viewed on-line at: http://www.insatcom.com/rate.html

So, you have decided that you like the idea of your own business that could allow you to enjoy a tax-free income in the process. Some people may tell you its crazy, but how crazy is it really? I mean you could possibly have a very good business offering handcrafted jewelry from Ecuador, handmade wool blankets from Peru, handmade leather horse saddles from Columbia or Panama, and a whole number of other things. Want something closer to home? How about closeout clothes bargains? Buy swimsuits when the season is over for a few pennies on the dollar and sell them at a discount on-line. Are you from Europe? Rumor has it that the days of Airport Duty Free shopping is gone for good, or is it? How about the Virtual Airport Duty Free Shop (on-line from a free zone in the Dominican Republic or anywhere else you like)? There are hundreds of ideas to explore, and you do not necessarily need a large budget or outrageous investment either. Worried that some of the “Dot.com companies” like Pets.Com went out of business? Do you know why they went out of business? Too much overhead, but a good idea none the less. Suppose you put the same kind of business together for less than $ 10,000? This is not fiction, but reality. Web hosting, or your offshore on-line store is not really expensive to set up. You can learn to build web pages and web sites yourself if you take the time, in fact I would encourage that you do learn it. In other words, you can build a business with your own hard work and effort, you do not necessarily need a six figure bank account.

This is not about a get rich quick scheme, in fact, its hard work. In reality any business is hard work, and it still must be attended to after its up and running. The image of the wealthy business owner sitting on a Caribbean beach sipping daiquiris is a myth, although no one says you cannot take a break once in a while. However, the idea of earning $5,000 per month, $ 10,000 per month (or more) tax-free is very possible. Even more appealing when your monthly living expenses are only $ 2,500 per month, which allows you to have a comfortable apartment, full time live in maid, and private school for your children – where they actually learn something other than how to pass through a metal detector. Places like Ecuador, Panama, The Dominican Republic, Mauritius, are some examples.

How is it possible for you to succeed when “Pets.com” failed? You do not need to earn that much to become profitable when you have low business or personal expenses. At a monthly business revenue of $20,000 you can probably survive very nicely (and put the excess into your tax free bank account earning 10% or more) where as pets.com would go broke right away on this kind of revenue amount.

So, what exactly is the correct way to gain tax advantages, and some of the other things we spoke of? Well, as a general rule, incorporate your business is a stable jurisdiction offering the ability of a zero corporate income tax. Perhaps find a reliable web hosting service in the proper jurisdiction, which may be another country altogether. Set up an offshore merchant account in yet another place, which offers the best rates or service. Finally, perhaps bank in yet another if it is favorable to do so. This all sounds complicated, but it is very easy to set up this way. In fact, a number of our clients have already done it. It is neither illegal nor immoral, it is just good sense.

TAB 4

How-To-Build-Website.com

"Covers everything you ever wanted to know about making money online with affiliate programs and building optimized websites."

Tax Planning For Ecommerce Operations

BY: Natalie Aranda
Words: 418

There was a time in the not so distant past when the majority of companies had very clear cu options. They were guided by a set of local, State, and National tax laws. They owed their tax and they had to pay them. There were creative ways to reduce their burden, but it still remair fairly simplistic compared to today?s global market situation. Ecommerce, or business over th internet, has led to the idea of onshore versus offshore tax implications. Onshore, in this case refers to a business whose ownership is located in the same physical location as their operatic Offshore refers to the rest of the World.

The unavoidable fact here is that there are certain jurisdictions around the world that might te to have a much more favorable tax structure than home. It is important to accept that this is prime reason for going offshore to do business. The offshore locales might talk of other things it is the taxes that make or break an onshore/offshore decision every time. Since Ecommerce operates in this unreal electronic world, physical location has become less of an issue. The old adage of location, location, location, no longer means the same thing as it did a mere generat ago.

Some people seem to believe that the world of Ecommerce is a free and unregulated zone wh anything goes and there are few or any consequences. This is not true, and each passing day makes it less true as internet regulation continues to increase. Tax planning from an Ecomme point of view can not be seen as tax avoidance as much as it is tax reduction. This is why tax planning becomes such an important element of Ecommerce. It just is not so simple anymore possibilities to reduce tax burdens and increase profitability are staggering and enticing, but t are also a mine field of potential risk. The advice and guidance of professional tax experts is a absolute must to navigate this mine field properly.

The Credit Card Merchant Account that you use in your Ecommerce business is an example of proper tax planning lays a foundation for prudent business decisions. The Offshore Merchant Account could very well be one of the first steps taken in an Ecommerce operation to move th business offshore. An understanding of the tax laws and reporting requirements of each offsh account as compared to local Merchant Service providers can be a determining factor in this decision making process.

Natalie Aranda writes about ecommerce and finance. The Credit Card Merchan Account that you use in your Ecommerce business is an example of how prope tax planning lays a foundation for prudent business decisions. The Internation Merchant Account could very well be one of the first steps taken in an Ecomm operation to move the business offshore. An understanding of the tax laws an reporting requirements of each offshore account as compared to local Merchar Service providers can be a determining factor in this decision making process.

I searched for months online, before I found a program, where I didn't need t know any HTML or tech geek programming stuff and helps me build search en optimized web sites that are search engine friendly, that my visitors would lov and will get me much higher ranking in the search engines. The program that discovered for building highly optimized web sites, is: **Site Build It**

The video below shows you exactly what is possible with Site Build It.

You can read my honest Site Build It review here...

A very great guide for beginners, that will shows you how to earn affiliate commissions from other peoples products. Jeremy shows you in detail exactly how to build highly targeted websites around a merchant's products or service. Highly recommended for those who want bigger affiliate checks.

To get the full story visit, **Jeremy's affiliate marketing** website.

Google Search

Web how-to-build-website.com

RSS Feeds Directory

XML

Submit Articles

How To Build Website Related Articles

Two Basic Parts of a Low Outlay Web Site Promotion
High Income Business Opportunities With The Lowest Risk
Lucrative List Building For Beginners
Blog Layout Templates Are Simple
Are You Taking Advantage Of Web 2.0 Marketing
Motorcycles For Sale Or 10 Tips For Buying Motorcycles At Motorcycle Auctions
How Seized Car Auctions Can Help You Find a Used Car Online

NEWS

Spaceacre, web design, webdesign, web hosting, domain registration, content management, ecommerce shopping cart,online ... (Cape Business News South Africa Business)
In order to overcome the fears that people have buying online there are a nun of features that one needs to have in place in order to run an effective store w full ecommerce shopping cart facilities.
ChannelAdvisor Raises $30 Million for Its eBay, Ecommerce Services (AuctionBytes)
ChannelAdvisor, a provider of ecommerce channel management solutions for e and online sellers, announced Tuesday it secured $30 million in additional fun led by New Enterprise Associates (NEA). ChannelAdvisor will leverage the additional capital to continue its growth into ecommerce channels such as paic search and comparison shopping engines as well as expand its offerings into new ...
China's largest ecommerce site set to float (Addict 3D)
Record breakerAlibaba.com, China's largest ecommerce site, is to float on the stock market in what is likely to be the largest ever initial public offering by a Chinese internet firm....
China's largest ecommerce site set to float (The Register)
Record breaker Alibaba.com, China's largest ecommerce site, is to float on the stock market in what is likely to be the largest ever initial public offering by a Chinese internet firm....

Go Back