

Chandrawat
& Partners

NOMINEE SHAREHOLDER

A brief guide on appointing a nominee shareholder

At a Glance

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We offer a wide array of specialized professional services tailored to the unique requirements of our clients, drawing upon our extensive expertise in the industry.



Overview

A nominee shareholder acts as the apparent shareholder who holds company's shares on behalf of the beneficial owner. Nominee shareholder may have the authority to attend meetings, including shareholder meetings, on behalf of the beneficial owner. This allows the beneficial owner to remain anonymous while participating in corporate decisions.



Role of the Declaration of Trust

The nomination of a shareholder is usually governed by a custodial instrument, commonly known as the Declaration of Trust. Under this arrangement, the beneficial owner assigns title of shares to a nominee with whom shares vest on TRUST.



How to choose a nominee shareholder?

When choosing a nominee shareholder, it is important to consider the following factors:



Credibility

The nominee shareholder should possess a favorable professional standing.



Expertise

The nominee shareholder should possess a track record of serving as a nominee shareholder.



Location

The nominee shareholder should be situated in a strategically accessible location.



Pricing

The nominee shareholder services should be cost-effective.



Clients satisfaction all over the world

We are a seasoned provider of Nominee Shareholder services, delivering discreet and professional experience.



What are the benefits of using a nominee shareholder?



There are a number of benefits of using a nominee shareholder, including:

Documentation and Compliance:

Nominee shareholder eases administrative duties and ensures compliance for relieving beneficial owners of these responsibilities.

Efficiency in Meetings:

Nominee shareholder saves time in the meetings by representing the beneficial owner's interests and reducing their direct involvement in the meetings.

Facilitate Investments:

Nominee shareholder facilitates and reduce investment complexities.





We offer a wide spectrum of professional services tailored based on our clients' specific requirements, leveraging our in-depth expertise in the field.



Rights of a nominee shareholder



RECORD KEEPING



DIVIDEND DISTRIBUTION



AUTHORITY TO ATTEND MEETINGS



VOTING RIGHTS

Numerous advantages exist for implementing a nominee shareholder arrangement. However, the primary purposes typically include attending meetings, exercising voting rights on behalf of the beneficial owner, and holding and managing shares in trust.



Duties of a nominee shareholder

A nominee shareholder has certain duties and functions that need to be maintained, these duties have been addressed as follows -



CUSTODIAN

A nominee shareholder is responsible for holding and safeguarding the shares in trust for the beneficial owner, ensuring their secure custody.



FIDUCIARY DUTY

In most cases, nominee shareholders owe a fiduciary duty to the beneficial owner. This means they must act in the best interests of the beneficial owner and avoid any conflicts of interest.



DIVIDEND MANAGEMENT

Any dividends or interest earned on the shares must be collected and held in trust by the nominee shareholder for subsequent transfer to the beneficial owner.



COMPLIANCE

A nominee shareholder ensures and assists to comply with the statutory compliances.



NO ADMINISTRATIVE AUTHORITY

A nominee shareholder refrain from absolute authority over the shares, including the transfer of shares without express instructions of the beneficial owner.



PROMPT TRANSFER

A nominee shareholder should promptly transfer the shares to the beneficial owner upon request, ensuring a seamless and timely process.



Our expansion has relied on nurturing connections with clients across a broad range of industries.





Importance of Declaration of Trust

The primary objective of a nominee shareholder Declaration of Trust is to safeguard the interests and rights of the beneficial owner of shares in a company, which are formally registered under the name of a nominee shareholder.

This legally binding document serves to confirm that the nominee shareholder merely acts as a custodian on behalf of the beneficial owner and is devoid of any administrative or managerial authority concerning these shares.

In precise terms, the Declaration of Trust outlines that the nominee shareholder assumes the responsibility of holding any dividends and interest earned by the shares in trust for the beneficial owner and is obligated to transfer these funds to the beneficial owner upon request.





Are nominee shareholders regulated by any governing authorities?

The regulation of nominee shareholders may depend on the jurisdiction. In some countries, there may be specific laws or regulations that govern the activities and responsibilities of nominee shareholders.

It is important to adhere to applicable legal and regulatory requirements to ensure compliance and transparency in the nominee shareholder arrangement.

We pride ourselves on being experienced and dedicated professionals who always act in our clients' best interests.



How to establish a nominee shareholder framework correctly?

To establish a nominee shareholder framework correctly, the following are the essential steps:

1. **Draft a Comprehensive Agreement:** Create a detailed agreement that outlines the roles, responsibilities, and obligations of both parties.
2. **Formalizing a Statement of Trust:** It is imperative to have the nominee shareholder formally acknowledge and accept a statement of trust, as it underscores his commitment to securely hold and manage the shares, adhering to the terms specified in the agreement.
3. **Continuous Monitoring:** Implement a system for ongoing and vigilant monitoring of the nominee's actions and their management of the shares.
4. **Record-Keeping:** Maintain meticulous records of all transactions, communications, and agreements relevant to the nominee shareholder framework.
5. **Periodic Reviews:** Regularly assess and, as necessary, adapt the arrangement to address evolving circumstances or changes in legal requirements.

The correct establishment of a nominee shareholder framework is vital for protecting business interests and ensuring the framework complies with the laws and regulations of the jurisdiction.



How we can help?



Whether for general confidentiality issues or commercial sensitivities, some clients prefer to keep their ownership of shares confidential.



In addition to safeguarding confidentiality, our service also establishes a clear ownership trail for the shares. This can be valuable when demonstrating ownership, such as to tax authorities or regulatory bodies.

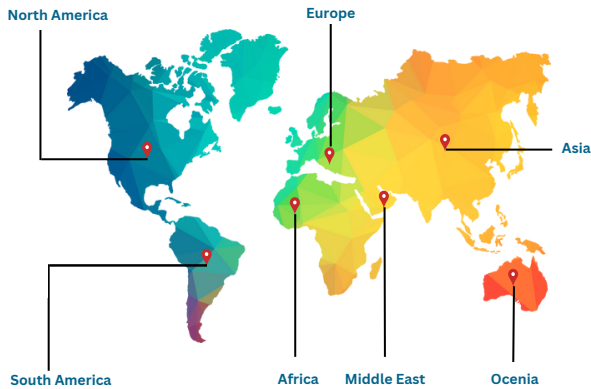


When combined with our compliance service, where we maintain the company's statutory registers, this ensures that all the necessary records are maintained.



Our specialists offer services which are aimed at acting as nominees and custodians to hold assets, including shares, stocks, and bonds, in a trust capacity.

SERVING CLIENTS WORLDWIDE



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