

Philippines Branch Office Invoice

Client to provide

Company Reg. No.: 921530

Address to be provided

Date: Tuesday, November 27, 2018

Invoice No: 2018 – 004 – 020p

Professional services for <u>Philippines</u> Branch (without travel)	Notes	Year 1 US\$	Year 2 US\$
Philippines <u>branch office set-up</u> fees (without travel)	1.	5,350	0
Philippines <u>resident agent</u> fees	2.	1,450	1,450
Assistance to secure physical office space (one time fee)	3.	950	0
Estimate of <u>Government license registration</u> fees	4.	5,760	600
Philippines branch office <u>bank account opening</u> fees (without travel)	5.	4,950	0
Tax and <u>VAT registration</u> fees	6.	750	0
Estimate of annual <u>accounting and tax</u> fees	7.	0	2,300
Healy Consultants Group PLC engagement <u>project management</u> fees	8.	4,250	0
Total Healy Consultants Group PLC fees payable this month	9.	23,460	0
Estimate of funds payable in 12 months' time	10.		4,350

Note: this invoice needs to be tailored for each Client. The above services and fees represent the average requirements of our Clients. I recommend you carefully read the notes within the attached draft invoices 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 PLC' fees to efficiently complete Philippines branch registration within [ten weeks](#) by **i)** choosing the optimum regulatory license for our Client's business activities; **ii)** reserving a branch name with [Securities and Exchange Commission](#) (SEC); **iii)** settling our accountant and lawyer fees and **iv)** preparing a high quality branch registration application for [SEC](#);

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 PLC 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. In accordance with the [Corporation Code of the Philippines](#), each Philippines branch office must appoint a resident agent, who may be a natural person or a body corporate, but must be resident in Philippines. Healy Consultants Group PLC will be the Philippines resident agent for our Client and our annual responsibilities include **i)** preparing and filing the legal annual return; **ii)** securely maintaining branch records; **iii)** liaising with the Philippines government on our Client's behalf; **iv)** legal filing of changes of branch structure; and **v)** reminding our Client of statutory deadlines;
3. Before branch registration is complete, the Philippines Government must review and approve a lease agreement for office premises. If your Firm requires this service from Healy Consultants Group PLC, our one-time fee amounts to US\$950. The monthly rent thereafter will be paid independently and directly to the landlord by our Client. An estimate of such a rental for a shared office space for one person amounts to US\$350 per month;
4. This fee is an estimate of Government costs payable during your Firm's engagement. All Government fee payments will be supported by original receipts and invoices. Examples of Government costs include **i)** reserving the branch office name with the [Securities and Exchange Commission](#) (SEC); **ii)** preparation of branch office documentation with Securities and Exchange Commission (SEC); **iii)** registration with the local Government Units (Barangay, Mayor's Office) where your business is located and **iv)** registering the branch office with the [Bureau of Internal Revenue](#) and Social Security System. Following engagement completion, Healy Consultants Group PLC will refund our Client any excess of funds received over actual Government costs paid;
5. Healy Consultants Group PLC will be pleased to open a Philippines bank account for the branch without our Client needing to travel. It is a time consuming task, Healy Consultants Group PLC will shelter our Client from the administrative challenges. As you can appreciate, it is a difficult task to obtain bank account approval through a newly formed branch, when the parent company and directors and bank

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signatories reside overseas. Healy Consultants Group PLC will prepare a business plan for the bank to optimize the probability of branch bank account approval. Depending on our Client business and nationality, there is a 20% probability the banks will request a bank signatory to travel for a one hour bank interview. Healy Consultants Group PLC will try its best to negotiate with the bank for a travel exemption. If our Client must travel to Philippines for branch bank account opening, Healy Consultants Group PLC will refund our Client US\$950;

If our Client is not comfortable with only a Philippines branch bank account, Healy Consultants Group PLC will be pleased to open [an international branch bank account](#) (click link) outside of Philippines. Examples include New York, Germany, Liechtenstein, Austria, Bulgaria, South Africa, Australia, London, South America or Dubai. All banks will be top tier banks in these countries with excellent internet banking services. Example of our global banking partners include HSBC, Standard Chartered Bank, Citibank, Barclays, Standard bank, ANZ bank, VTB bank, UBS, Credit Suisse;

Healy Consultants Group PLC will prepare a business plan for the bank to optimize the probability of corporate bank account approval. The banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed success is outside of Healy Consultants Group PLC' control. What is inside our control is the preparation and submission of a high-quality bank application that maximizes the likelihood of approval;

Global banks continue to tighten branch bank account opening procedures, their internal compliance departments completing more thorough due diligence of Clients. Consequently, our Clients should expect the bank account approval period to take up to 4 weeks. Furthermore, global banks now require evidence of proof of business in the country where the branch bank account will be, including sales contracts or lease agreement;

6. In accordance to the Philippines [Tax Code](#), each branch must register for tax at the [Bureau of Internal Revenue](#). The annual sales threshold for VAT registration is PHP 1,919,500;
7. For an active trading branch, these [accounting and tax](#) fees are an estimate of Healy Consultants Group PLC fees to efficiently and effectively discharge your annual branch accounting and tax obligations. Following receipt of a set of draft accounting numbers from your branch, Healy Consultants Group PLC will more accurately advise accounting and tax fees. For a dormant branch, Healy Consultants Group PLC fees are only US\$950;
8. This cost includes Healy Consultants Group PLC fees to thoroughly research and plan Philippines branch set up for our Client including **i)** payment of retainer fees to multiple lawyers, accountants and other consulting firms **ii)** preparation of a detailed [project plan](#) with timelines **iii)** time taken to determine the optimum corporate structure, including preparation of a detailed comparison table of entities **iv)** ascertain the specific accounting, tax, [legal and compliance](#) considerations **v)** finding solutions to [challenges that occur](#) throughout the engagement and **vi)** completing a detailed, 23-page engagement strategy [document from](#) all of the above; if required;

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This cost also includes Healy Consultants Group PLC' fees to efficiently and effectively [project manage](#) and timely complete our Client's engagement including **i)** injecting the paid up share capital on our Client's behalf and **ii)** collating and supervising the legalisation and attestation of all documents **iii)** weekly detailed [engagement status updates](#) to our Client and **iv)** weekly Friday conference call and **v)** finding solutions to unexpected challenges throughout the engagement;

Healy Consultants Group PLC' project management fees also include the time taken to devise the strategies as to how to **i)** minimise the [engagement period](#); **ii)** complete the engagement without our Client travelling; **iii)** protect our Client's interest **iv)** minimise tax using a freezone (when applicable) and **v)** avoid the need for a regulatory license;

Philippines branch registration is a long and complicated process for foreign investors. Healy Consultants Group PLC will liaise with multiple independent lawyers and accounting firms to ensure that **i)** your Firm complies with commercial regulations **ii)** your Firm's interests are well protected and **iii)** your Firm enjoys all possible tax benefits;

9. All fees quoted in this invoice correspond to fees quoted [on Healy Consultants Group PLC' website](#). Please review this invoice carefully to identify errors. During the rush of the business day, it is possible that Healy Consultants Group PLC 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 PLC in year 2, this fee is an estimate of the fees payable next year, 12 months after the date of branch 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 PLC realizes that the project is more complex than anticipated, requiring a large additional investment of time, my Firm will revert to request additional fees;
12. In accordance with [Sections 14.6 and 23 of the Philippines Corporation Code](#), every Philippines Branch office shall have at least one individual country representative ordinarily resident in the Philippines. If required, Healy Consultants Group PLC will be pleased to provide your Firm with a professional passive nominee representative in the Philippines. Our fee amounts to US\$4,600 per annum;
13. If our Client and Healy Consultants Group PLC properly plan this engagement, our Clients' will **not** have to travel during this engagement. Healy Consultants Group PLC will efficiently and effectively and aggressively complete branch registration and branch 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 PLC office;



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14. The mother company of a branch office in the Philippines is required to make an initial remittance of at least US\$200,000 to the branch's bank account before branch formation is complete. However, this remittance may be reduced to US\$2,500 if 60% of the revenue is received outside of Philippines. Government approval is required;
15. Branch business activities are limited to that of the parent company. The branch suffers a corporation tax of 30%. A branch can **i)** lease office premises and **ii)** issue sales invoice to Clients' and **iii)** sign local legal contracts. A branch can import and export goods. A branch is required to deposit a government security of at least US\$2,500 (P100,0000) with SEC within 60 days from the issuance of the SEC license;
16. To assist our Clients to minimize foreign exchange costs, we offer the payment in SG\$, Euro, Pounds or US\$. Kindly let me know in which currency your Firm prefers to settle our fees and I will send an updated invoice, thank you;
17. 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 PLC will assist our Client secure license approval. However, the Government enjoys ultimate power of approval of branch registrations and business licenses;
18. If required, Healy Consultants Group PLC will be pleased to assist your firm to secure employee [visa](#) approvals. Our fee is US\$3,950 for the first employee, US\$2,950 for the second employee, US\$1,950 for the third employee; and US\$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 PLC' 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;
19. Healy Consultants Group PLC' 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 PLC 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 PLC 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;
20. As stipulated on our [business website](#) and in section 3 of our engagement letter, Healy Consultants Group PLC will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter;
21. Healy Consultants Group PLC will only incorporate your branch after 75% of [due diligence documentation](#) is received by email. Healy Consultants Group PLC will only open a branch bank account after 100% of the Client's original due diligence documentation is received by courier;

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22. Engage Healy Consultants Group PLC 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;
23. It is important our Clients are aware of their personal and branch tax obligations in their country of residence and domicile. Let us know if you need Healy Consultants Group PLC help to clarify your local and international annual tax reporting obligations;
24. During the engagement, shareholders and directors' documents may need to be translated into the local language; before the Government and Bank approves branch registration and branch bank account opening respectively. Consequently, our Client should budget for possible additional translation and embassy attestation fees. Either our Client or Healy Consultants Group PLC can complete this administrative task;
- As always, Healy Consultants Group PLC 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;
25. Some of our Clients require an [immediate country solution](#). With this strategy, Healy Consultants Group PLC can supply within two weeks to our Client **i)** an existing dormant company 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;
26. 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 PLC may revert to our Client to ask for more up to date [due diligence documentation](#);
27. Some of our Clients engage Healy Consultants Group PLC 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';



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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.

Best regards,

Aidan Healy

Aidan Healy

[Business owner](#)

Healy Consultants Group PLC Group

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