

California Corporation Incorporation Procedures and Fees

Unless otherwise indicated, the corporation stated in this quotation specifically refers to a company limited by shares (also known as a joint-stock company) registered in California, the U.S., in accordance with the California General Corporation Law.

Our basic package fee for the registration of a corporation (a company limited by shares, or a joint stock company) in the State of California is USD1,300. This package fee covers our professional registration service, registered address, and registered agent service in California for one year, a set of standard Bylaws, and the payment of official registration fee to the California Secretary of State.

If the business name does not contain any restricted words, and the business activities to be carried out by your California corporation is not specially regulated, the corporation registration timeframe is about 8 business days (not including mailing time). Rush filing service is unavailable in California.

In any case where your California corporation is to engage in a regulated business, including agriculture, alcoholic beverages, aviation, firearms, ammunition and explosives, fish and wildlife, commercial fisheries, maritime transportation, mining, and drilling and etc, additional licences or permits may be required. Kaizen can help you apply for those licences. Our fee for this service will be quoted upon request.

In addition, if your California corporation is to conduct business in other states, you will also need to register a foreign company from the local government. Kaizen can help you apply for those licences. Our fee for this service will be quoted upon request.

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1. California Corporation Registration Services and Fees

Our fee for this California corporation incorporation (a joint stock company) is USD1,300. Particularly, our fee covers the following services:

- (1) Corporation Registration
 - (a) Answer your questions regarding the registration and maintenance of a corporation in California;
 - (b) Perform name availability search;
 - (c) Pay the registration filing fee to the California Secretary of State;
 - (d) Prepare the standard Bylaws in California;
 - (e) Record minutes of the first meeting of the Board of Directors;
 - (f) File Statement of Information within 90 days after registration;
 - (g) Compile board resolution for opening a business bank account, if applicable;
 - (h) Customize a corporate kit, including a metal corporate seal, stock certificate, register of shareholder, register of director, and stock transfer ledger, etc.
- (2) Registered Address and Registered Agent for the first year

Kaizen will provide a registered address and a registered agent in California State for one year in compliance with the requirement of Secretary of State of California State for the purpose of registration of the company.

Notes:

- (1) Our fee quoted above does not cover courier charge, if any.
- (2) Our fee quoted above excludes the taxes. If you request a tax invoice, value-added tax at the prevailing rate may be charged and collected.

2. Other Relevant Services

No.	Description	Fee (USD)
1	EIN application (Note 1)	300
2	ITIN application (Note 2)	1000
3	Seller's permit application (Note 3)	300
4	State and local business license application (Note 4)	TBA
5	Federal business license application (Note 5)	TBA
6	Remote USA bank account introductory service (Note 6)	880 up
7	Provide mailing address (Note 7)	600/Year
8	Authentication for formation documents and directors' certificate of incumbency (Note 8)	TBA

Note:

- (1) Employer Identification Number (EIN), also known as Federal Employer Identification Number (FEIN), or Federal Tax Identification Number (FTIN), is a tax identification number just like a Social Security Number (SSN) for your personal identification number. The purpose of this number is to facilitate tax collection and identification of employers. The EIN number allows you to communicate with the Internal Revenue Service (IRS) in the dealing of all the tax matters of your California company. The EIN is also needed for bank account opening.

The EIN is issued by the Internal Revenue Service (IRS) upon application. The IRS normally takes around 10-15 business days to process an application. Expedited service is not available. Kaizen will notify you through email upon receipt of the EIN from the tax authority.

- (2) An Individual Taxpayer Identification Number (ITIN) is a unique identification number, which is like the Employer Identification Number (EIN), or Social Security Number (SSN) mentioned above, issued by the Internal Revenue Service. IRS issues ITINs to help foreigners to report their U.S. source income and file tax returns. The processing time is about 14 weeks, and it may take more time during tax season (Jan - April). Expedited service is not available. Kaizen will notify you through email once received the ITIN from the tax authority.
- (3) If your California company intends to sell or lease tangible personal property at retail or wholesale or offer certain taxable service and has an office/warehouse or sales representatives in California, then your California corporation is required to obtain a seller's permit from California Department of Tax and Fee Administration. The processing time is about 1 to 3 business days. Expedited service is not available. Kaizen will notify you through email once upon receipt of the seller's permit from the tax authority.
- (4) There is no need to obtain state and local business license if the business of your California corporation does not involve special industries and it will not hire employees or set up business office/warehouse at California. Otherwise, the corporation may be required to obtain certain state business license or permit. Please reach out to us for more detailed about these local city/county business license.
- (5) A California corporation is not required to apply for Federal Business License unless the activities are regulated by the federal authority. The regulated business activities include agriculture, alcoholic beverages, aviation, firearms, ammunition and explosives, fish and wildlife, commercial fisheries, maritime transportation, transportation, and logistics. Kaizen can help your California corporation to apply for these federal licence and permit. Our fee for this service will be quoted upon mining and drilling, nuclear energy, radio and television broadcasting, request.
- (6) Kaizen can help you to open a business bank account remotely in the U.S. for your California corporation. Please notice that the representative (the director) of the corporation may be required to be interviewed via phone or video by the bank officer(s) and obtain related bank account opening documents via email. Kaizen is limited to providing introductory and assistance services and does not guarantee the result of the bank account opening as it is the sole discretion of the bank to determine whether to accept an application or not.

Please note the U.S. business address proof and U.S. phone number of authorized responsible individuals may be required for bank account opening, our service fees **exclude** providing the above information for you. Our service fees for providing a U.S. business address and a U.S. phone number are US\$600 and US\$100 respectively.

- (7) Kaizen can provide a New York address as your business mailing address. The mailing address can be used to receive letters from banks, the government, and other related business letters for the corporation. If you have applied for the 6th point of the business address proof, Kaizen will give away this mailing address service for the first year. Kaizen will forward these letters to you through email (by default) or mail (if necessary). The actual delivery fee or postal is to be charged separately.
- (8) Kaizen provides the notary service for the formation documents, including authentication in California Secretary of State and Chinese Consulate General, and directors' Certificate of Incumbency. Our fee for handling the notarisation and apostille will be quoted upon request.

3. Payment Time and Method

together with the wiring instructions to you for your settlement. When you arrange the payment, please put our invoice number of account number in the message section and then send email a copy of the remittance receipt to us for our records. Because of the nature of service, we require full payment in advance. And once the service is commenced, no refund of service fee will be made.

We accept cash, HKD check, TT and credit card through Paypal. An extra handling fee of 5% will be charged if paid by Paypal.

4. Fundamental Structure of a Corporation in California

Minimum requirements for a Corporation registration in California:

- (1) At least one incorporator, can be a shareholder or officer;
- (2) Minimum capital USD1 (one share issued);
- (3) At least one shareholder, the shareholder can be a legal entity or natural person, without nationality limitation;
- (4) At least one director, the director must be a natural person;
- (5) At least one officer (Chief Executive Officer, Chief Finance Officer, or Secretary), the officer must be a natural person;
- (6) The director or officer can sign legal documents on behalf of the corporation and record minutes of meetings.

5. Materials Required for California Corporation Registration

To register a Corporation in California, the following documents should be prepared and provided to Kaizen:

- (1) Passport copy and residential address proof (utility bill, phone bill, or bank statement, etc for the most recent 3 months) in respect of each shareholder, director, officer (and Secretary, if requested) of the Corporation. If the shareholder is a legal entity, please provide the entity's registration document and the identification and residential address proof of each shareholder holding 25% or more shares in that company;

- (2) An organization chart of the shareholder if the shareholder is another corporation;
- (3) Completed “California corporation order form” provided by Kaizen;
- (4) Certain business proof in the name of the California Corporation, for example, a (goods) purchase and sales agreement or service agreement or a business plan or a company brochure.

The identification and address proof of the corporation’s shareholder, director, and officer should be certified or notarized by Kaizen, a local notary at the place of the shareholder and manager, lawyer, CPA, or bank manager.

6. Registration Procedures of a Corporation in California

The registration procedures and timeframe for a Corporation in California are listed as follows:

No.	Description	Time (Days)
1	Kaizen was entrusted to handle the Corporation registration in California. You should fill out the order form, “Due Diligence document”, and other documents (listed in Part 6), then e-mail the whole package to Kaizen. Meanwhile, Kaizen service fees should be paid at this point.	Client’s schedule
2	Kaizen performs “Know Your Client” due diligence procedures, including verifying the identification documents of the shareholder, director, and officer of the California Corporation.	1
3	Kaizen will check the name availability at the California registration office.	1
4	Kaizen will compile the required documents, including the Articles of Incorporation and a set of standard bylaws.	1
5	Kaizen will send the documents mentioned in (4) to you to review and confirm the accuracy.	1
6	Kaizen will submit the Articles of Incorporation to the California registration office and pay the registration filing fee. The officer will review the document, and mail to Kaizen the sealed Articles of Incorporation with filing date and filing number within 8 business days, if approved.	8
7	After confirming the successful registration of the corporation, Kaizen will customize the corporate kit, such as order the metal corporate seal, prepare register of directors, register of shareholders, and share certificate, etc.	7
8	Kaizen will arrange to submit Statement of Information within 90 days after the Corporation incorporation.	1
9	After the above procedures are completed, Kaizen will deliver all the documents to you at the address designated.	1

Note: The schedule above assumed that no application for license or permit is required.

7. Documents for You After the Registration

After all the registration procedures, the following files will be mailed to you for archives:

- (1) Articles of Incorporation sealed by California Secretary of State;
- (2) Standard bylaws in California;
- (3) Statement of Information sealed by California Secretary of State;
- (4) Corporate seal;
- (5) The minutes book, register of shareholders, register of directors, and stock transfer ledger (if any), etc.;
- (6) Minutes of first meeting of Board of Directors;
- (7) 10 pieces of blank Stock Certificates;
- (8) EIN letter, if any;
- (9) Certificate of Incumbency and certified copy of registration document, if any.

Kaizen will express the above documents to the address designated by the client. The above documents are also available for pick up in any Kaizen offices.

8. California Corporation Annual Renewal

A California corporation should file a Statement of Information to California Secretary of State and pay franchise tax California Franchise Board each year. This is known as a basic annual renewal. Kaizen will handle the basic annual renewal for your California corporation for a fee USD900, including the provision of registered office, registered agent, and Statement of Information filing. Please note that this service fee does not include accounting, income tax filing, and at least USD800 franchise tax. We will send a renewal notice to you 2 months before the due date.

Other than the basic annual renewal requirements stated above, a California corporation is also required to operate in compliance with the California General Corporation Law. For example, keeping all the vouchers and receipts, filing an income tax return, and file an annual report, etc. Kaizen U.S. office is a professional CPA firm that offers complete compliance services and business support, such as bookkeeping, financial statement audit, filing a tax return, making payroll, etc. please reach out and discuss with our professional consultants for details.

If you need assistance or wish to obtain more information, please visit our official website at www.kaizencpa.com or contact us through the following:

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