

GUAM USA

YOUR BUSINESS
SMART
DESTINATION

Establishing a Business on Guam

In order to establish a business entity on Guam, you must obtain a business license prior to starting business operations. Business entities other than sole proprietorships must also register the type of entity they will be operating under. The following will provide an overview for establishing a business on Guam.

Most licensing transactions can be processed and approved at a single location, the Government of Guam's **ONE STOP LICENSING CENTER** located at 542 N. Marine Drive, Tamuning, Guam 96913, Telephone No. (671) 646-3259 or Facsimile No. (671) 649-6178. Hours of operation for the center are from 8:00am to 5:00pm, Monday through Friday, except legal holidays.

I. LICENSES - Licensing applications can be obtained from two locations, the Business license branch of the Dept. Of Revenue & Taxation or at the One Stop Center. All licenses expire and are renewable on June 25th of each year.

II. FRANCHISES - The following are requirements that must be met before registering a franchise in Guam. All of the following must be filed at the One Stop Center or the Department of Revenue and Taxation General Licensing and Registration Branch.

- Filing of franchise agreement signed by both the franchisee and franchiser.
- Filing of exclusive rights to the franchise (to be stated in the franchise agreement signed by both the franchisee and franchiser.)
- Registration of business license.

III. REGISTRATION - All corporations, limited liability companies, partnerships, joint ventures and associations must register with the Business License Branch of the Dept. Of Revenue & Taxation. Registration must be completed prior to the issuance of any business license.

FIRM CLASSIFICATION

Sole Proprietorship
General Partnership
Domestic Corporation
Limited Liability Company
Limited Liability Partnership
Foreign Corporation

REGISTRATION FEE

Not applicable
\$25
\$60
\$1,000
\$250
\$105

A. DOMESTIC CORPORATIONS – are formed in Guam by 3 or more persons. The secretary or treasurer of the corporation must be a resident of Guam. Articles of incorporation must be filed with the Business License Branch of the Dept of Revenue & Taxation setting forth the following:

- The name of the corporation

- The purpose for which it was organized.
- The location of its principal or home office
- Term not to exceed 50 years
- Names and residences of incorporators
- The number of directors, not less than 3 or more than 7
- Amount of capital stock
- Articles must be accompanied by a statement of the Treasurer showing at least 20% of the entire capital stock has been subscribed and at least 25% of that has been paid

B. PARTNERSHIPS - are formed in Guam by 2 or more persons to carry on as co-owners of a business for profit and include limited liability partnerships. The Partnership Agreement must be filed along with the registration form with the Business License Branch of the Dept of Revenue & Taxation setting forth the following:

- The name of the partnership
- The location of its principal or home office
- The number of partners
- The name and residence of each partner
- The purpose for which it was organized
- Term of Partnership
- If the partnership's principal office is not located in Guam, it must provide name and address of registered agent in Guam for service of process
- The application shall be executed by one or more partners authorized to do so

C. FOREIGN CORPORATIONS - If an off-island corporation (including that which is based in the U.S.) plans to open a corporate office here on Guam, it must be duly admitted as a "Foreign Corporation" as stated in Title 18, Section 7101, Guam Code Annotated. Separate documentation to register as such will be supplied by the One Stop Center or you may contact the Department of Revenue and Taxation General Licensing and Registration Branch for more information.

Specifically, the managing agent of the foreign corporation is required to file a statement verified under oath setting forth the following information:

- The name of the corporation.
- The purpose for which it was organized.
- The location of its principal or home office.
- The capital stock of the corporation and the amount thereof actually subscribed and paid into the Treasury on the (Day) (Month) (Year).
- The net assets of the corporation over and above all debts, liabilities, obligations and claims outstanding against it on the (Day) (Month) (Year).
- The name of the resident agent authorized by the corporation to accept summons and process in all legal proceedings against the corporation and of all notices affecting the corporation.

The notarized statement must be accompanied by:

- A certified copy of the Articles of Incorporation.
- Certificate under notarial seal that the corporation has been established pursuant to the laws of the place where incorporated. In the case of an alien corporation, certificates must be issued by a United States Consul. (A currently dated certificate of good standing issued by the governmental department having jurisdiction over corporations in the state or country of incorporation may be accepted in satisfaction of this requirement.)
- Designation by the corporation of a resident agent to accept service of summons and process in all legal proceedings against the corporation and notices affecting the corporation, and an acceptance of such appointment by the resident agent.

- Certified check or money order payable to the Treasurer of Guam in the amount of \$105. (Fees for the issuance of the Certificate of Registration - \$5.00 and Foreign Corporation license - \$100.00)
- A balance sheet detailing the assets and liabilities of the corporation as of the last accounting period. Upon satisfaction of the above requirements, the foreign corporation shall be properly registered upon direction by the Governor of Guam.

IV. MISLEADING NAME and TITLE - No corporation shall be registered which set forth a name that is likely to mislead the public or which is the same as or resembles so closely as to deceive:

- The name of a domestic corporation; or
- The name of a foreign corporation that is authorized to transact business in Guam.
- The use by a corporation of a name in violation of this Section may be enjoined, notwithstanding the filing of its articles of incorporation by the Director of Revenue and Taxation.
- The Director of Revenue and Taxation shall not file articles of incorporation setting forth a name in which the words “trust” or “trustee” appear, unless upon a certificate of approval by the Governor of Guam.

V. ANNUAL REPORT - all corporations, whether domestic or foreign, must file an annual report by September 1 of each year. The annual report is an update of the corporation’s name, address, directors, officers, shares outstanding, and shareholders. Filing fee is \$100. For Captive insurance companies the annual fee is \$2,500.

VI. BUSINESS PRIVILEDDGE TAX (Gross Receipts Tax or GRT):

Upon receiving the business license, you will receive an explanation on Guam’s Business Privilege Tax filing. More commonly referred to as the Gross Receipts Taxes (GRT), this tax is to be filed quarterly and is based on gross receipts (revenues) of the business. The GRT is due between the 1st and 20th of each month and should be paid at the Department of Revenue and Taxation.. Exceptions are for banks, which are taxed at the same rate but on their annual net income and wholesalers who are exempted from this tax.

VII. Contact Information:(Please note: these government agencies are represented at the One-Stop Center)

Department of Revenue & Taxation - Business Privilege Tax Branch

13-1 Mariner Avenue, Tiyan
P. O. Box 23607 GMF, Gu 96921
Voice # 671-475-1829 Fax #671-472-2643

Department of Public Works - One Stop Center

542 N. Marine Drive, Tamuning
P. O. Box 2950 Hagatna, Gu 96910
Voice # 671-475-5252/63 Fax # 671-477-0883

Guam Fire Department

1301 Central Avenue, Tiyan
P. O. Box 2950 Hagatna, Gu 96910
Voice # 671-472-3304/6 Fax # 671-472-3360

OTHER Clearances (as required):

Guam Environmental Protection Agency - *Chemicals & gas stations*
Department of Education - *Tutor/instructional schools*
Department of Parks & Recreation - *Peddlers & Jet Ski operators*
Guam Police Department - *Security & collection, Alcohol & Firearms, Children’s toys*
Department of Public Health & Social Services - *Alcohol, Food, foodstuff & bakeries, Chemicals & gas stations,*

**For more information, please contact:
The Guam Economic Development and Commerce Authority**

ITC Building, Suite 511
590 South Marine Corps Drive
Tamuning, Guam 96913



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