Corporate Structure & Compliance Audit - Report

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EXECUTIVE SUMMARY

SCORE: 29/30 - ENTERPRISE & INVESTMENT GRADE

World-class holding/operating structure, airtight IP control, and pristine institutional governance.

Ongoing compliance maintenance and international expansion structuring.

RECOMMENDED NEXT STEP

Secure Your Corporate Structure Review with Scandic Management

A qualified advisor reviews your structure, cap table, IP ownership, and licensing against your growth plans.

Book Corporate Structuring Session

IMMEDIATE FOCUS AREAS

Have you evaluated your corporate tax obligations, substance requirements, and cross-border tax exposure? 4/5

Diagnostic Strength: Efficient tax posture. Action: Ensure proper economic substance is maintained locally.

What is your current or intended corporate entity type and jurisdiction, and does it align with where your business operates? 5/5

Diagnostic Strength: World-class architecture. Action: Conduct annual reviews as international tax frameworks and compliance standards evolve.

DETAILED RESPONSES

What is your current or intended corporate entity type and jurisdiction, and does it align with where your business operates? 5/5

Optimized multi-jurisdiction setup: professionally structured holding and operating entities designed for international trade and tax compliance

Diagnostic Strength: World-class architecture. Action: Conduct annual reviews as international tax frameworks and compliance standards evolve.

How is equity distributed, and is your capitalization table formally documented? 5/5

Fully managed digital cap table: managed via professional tools with airtight legal documentation and clear dilution modeling

Diagnostic Strength: Elite governance standard. Action: Keep cap table synchronized with upcoming corporate milestones.

Who legally owns the intellectual property (code, brand, content, patents)? 5/5

Structured IP holding model: IP is housed in a dedicated holding or special-purpose entity for asset protection and tax optimization

Diagnostic Strength: Advanced risk mitigation. Action: Ensure inter-company licensing agreements are properly documented.

Does your business hold the correct commercial licenses and regulatory approvals for its active sector? 5/5

Proactive regulatory governance: fully licensed with dedicated compliance frameworks, anti-money laundering (AML) policies, or industry certifications

Diagnostic Strength: Institutional-grade compliance. Action: Maintain ongoing dialogue with free-zone or regulatory authorities.

Have you evaluated your corporate tax obligations, substance requirements, and cross-border tax exposure? **4/5**

Optimized tax strategy: formal tax planning aligned with regional corporate tax exemptions, free-zone benefits, or double-tax treaties

Diagnostic Strength: Efficient tax posture. Action: Ensure proper economic substance is maintained locally.

Are your corporate registers (Directors, Shareholders, Beneficial Ownership) and internal governance documents up to date? **5/5**

Institutional governance standard: comprehensive board management, regular documented resolutions, and audit-ready minute books

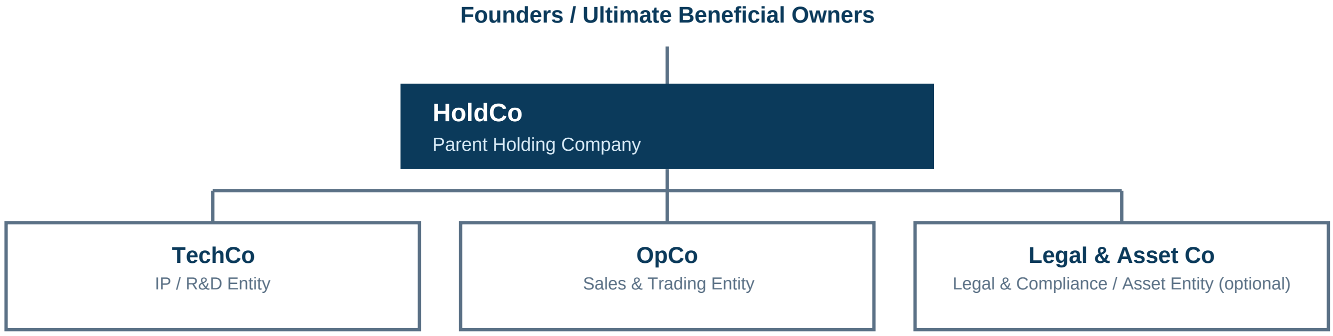
Diagnostic Strength: World-class execution. Action: Maintain rigorous documentation standards as the enterprise scales.

SCANDIC STRATEGIC ADVISORY: CORPORATE ARCHITECTURE

As your startup transitions from early validation to execution, relying on a flat, single-company structure creates unnecessary legal exposure and tax inefficiencies. Modern high-growth companies use modular corporate architectures to protect core assets, optimise cross-border tax flows, and maximise future exit valuations.

Not tax advice: the jurisdiction and structuring information below illustrates general design and best-practice patterns based on your own answers. It is not a personalised recommendation. Always consult a qualified, licensed tax advisor before making any structural or tax decision.

The multi-entity group structure (HoldCo & OpCo model)



HoldCo - Parent Holding Company
Usually domiciled in a tax-neutral or investor-friendly jurisdiction. Owns the equity of the group, houses core capital, and holds valuable strategic assets.

TechCo - IP / R&D Entity
Owns all proprietary code, patents, algorithms, trade secrets, and trademarks. Licenses these assets back to the operational entities via a formal Intercompany Licensing Agreement, typically a 3% to 8% royalty fee.

OpCo - Sales & Trading Entity
Faces the public, signs commercial client contracts, incurs operational liabilities, and employs staff.

Legal & Asset Co - Legal & Compliance / Asset Entity (optional)
Used in advanced setups to hold real estate, manage heavy regulatory compliance, or isolate high-risk commercial operations.

Why founders use this model

Bulletproof asset protection (ring-fencing)
If your Sales/Trading entity (OpCo) faces a catastrophic lawsuit, contract dispute, or bankruptcy, creditors can only seize the assets inside that specific operating company. Your valuable intellectual property remains safely locked inside the HoldCo/TechCo, completely insulated from operational litigation.

Optimised M&A and exit valuations

When an acquirer buys your business, they usually acquire liabilities alongside revenue. With a split structure, an acquirer can buy the trading OpCo while you retain the HoldCo and IP portfolio and continue collecting licensing royalties, or purchase the IP holding assets at a premium.

Tax and cash flow efficiency

Profits can be swept up from operating subsidiaries to the holding company as tax-free or tax-deferred dividends, letting you reinvest capital into new product lines without triggering personal income tax events.

Choosing the right jurisdiction

The Regional Hub (e.g. UAE Free Zones, SPC / IFZA / DMCC)

Best for: Middle Eastern, African, and South Asian market expansion, digital services, and international consulting.

Why: Offers 100% foreign ownership, zero personal income tax, efficient corporate tax frameworks with strategic free-zone exemptions, and world-class ease of cross-border contracting.

The Institutional Parent (e.g. Delaware C-Corp / UK Ltd)

Best for: Startups actively targeting US or European Venture Capital (VC) institutional funding.

Why: Global investors are universally familiar with Delaware or UK shareholder agreements, option pools, and institutional governance standards.

Strategic recommendation for your roadmap

Single Entity | Single Entity + Compliance | **HoldCo & OpCo Group**

If you are scaling past $500k in revenue or holding high-value code/IP

Restructure into a HoldCo + OpCo model: a parent HoldCo, an isolated TechCo for IP, and a Sales/Trading OpCo. Separate your software assets from your commercial risk.

Corporate structuring requires precision to avoid tax triggers or non-compliant intercompany agreements. Book a strategy session with Scandic Management to map out the exact multi-entity blueprint tailored to your business model and target growth geography.
