



LAUNCH ENTITIES

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Offshore Structures 2025 Playbook

By LaunchEntities.com



LaunchEntities

Introduction

High tax rates across Europe, such as approximately 47.5% in Germany or around 45% in France, lead many founders to consider overseas entities. This is especially true when payment providers like Stripe or PayPal demand clean corporate structures. This playbook is designed for SaaS founders, agencies, e-commerce sellers, and other entrepreneurs earning between 10,000 to 500,000 euros. It offers legal setups that are simple, transparent, and compliant, avoiding the use of shady shell companies.

Jurisdictions and Their Benefits

US LLC (Wyoming/Delaware)

Why choose it?

A US LLC opens up Stripe and PayPal, enabling operations without paying US corporate tax when profits are foreign-sourced. A US limited liability company owned by foreigners is treated as a disregarded entity; income passes through to the owners, who pay tax in their home country.

Key compliance:

- **Form 5472 and Pro-Forma 1120:** All foreign-owned single-member LLCs must file these annually to disclose reportable transactions. Failure to file can trigger a US\$25,000

penalty per form, with an additional US\$25,000 every 30 days if unfiled after the IRS notice.

- **Recordkeeping and electronic filing:** The IRS requires detailed books and electronic filing.

Special benefits:

- Easy access to US banking via fintechs such as Mercury and Relay without visiting the United States.
- No US tax on non-US income; the LLC acts as a pass-through so you only owe tax where you live.
- Quick setup; the employer identification number is obtained in around two to three weeks. LaunchEntities offers a flat rate that includes a registered agent and first-year state fees.

UK LTD

Why choose it?

Ideal for agencies and B2B service firms needing legitimacy and contracts under English law. UK companies are respected across Europe and can easily open accounts with UK banks or Wise.

Key compliance:

- **Corporation tax:** The main rate is 25% on profits above 250,000 pounds; profits up to 50,000 pounds enjoy a 19% small profits rate, with marginal relief in between.
- **Annual filings:** File statutory accounts within nine months of year-end and pay corporation tax within nine months and one day; the company tax return (CT600) is due within 12 months. VAT registration is required if taxable turnover exceeds 90,000 pounds.
- **Identity verification (new requirement):** From 18 November 2025, new directors must verify their identity to incorporate; existing directors and persons with significant control must verify within the next confirmation statement; unverified persons cannot act as directors.

Special benefits:

- Fast registration, usually within 24 hours, and low formation cost.
- Strong contract law and credibility with European partners.
- UK companies can appoint non-resident directors; no company secretary is required.

Swiss GmbH/AG

Why choose it?

Switzerland offers world-class banking, investor confidence, and intellectual property protections. It is suitable for SaaS and FinTech founders generating approximately 500,000 euros or more who want a prestigious base or to house valuable intellectual property.

Key compliance:

- **Capital requirements:** Minimum share capital of 20,000 Swiss francs for a GmbH, fully paid in, and 100,000 Swiss francs for an AG, 50,000 francs must be paid in. Funds must be blocked in a Swiss bank until registration. At least one director must be Swiss resident.
- **Corporate tax:** Federal tax is 8.5%, with cantonal and communal taxes bringing the combined effective rate to between 12% and 21%, the average being around 14.79%. A qualified domestic minimum top-up tax applies from 2024 for groups with turnover of at least 750 million euros, ensuring profits taxed below 15% are topped up.
- **Audits and substance:** Annual accounts must be prepared, and larger companies require audits.

Special benefits:

- Premium image and investor appeal; widely used for holding intellectual property and licensing.
- Access to stable Swiss banking and capital markets.
- Cantonal incentives such as patent boxes and research and development deductions can reduce effective tax further.

UAE Free Zone LLC

Why choose it?

Free zones like RAKEZ or SHAMS offer 100% foreign ownership and attract e-commerce, digital consulting, and crypto ventures.

Key compliance:

- **Corporate tax for 2025:** Profits up to 375,000 Emirati dirhams are tax-free; profits above are taxed at 9%. However, qualifying free zone income from transactions with other free zone entities or foreign clients remains 0%, while income from mainland UAE is usually taxed at 9%.
- **Economic substance and registration:** To qualify for 0%, you must be a licensed free zone person, maintain adequate staff, office space, and assets in the zone, and file annual corporate tax returns. Registration and filings are mandatory even if you have no tax liability.
- **Reporting and penalties:** Failure to maintain proper books or late filing can lead to fines and loss of the 0% rate.

Special benefits:

- **Residency visas:** Setting up a company allows you to obtain a UAE residence visa; you can sponsor family members and travel freely in and out of the country.
- **Quality of life:** No personal income tax, world-class infrastructure, and strategic location.
- **Quick formation:** Company registration typically takes one to four weeks, and residency visas seven to ten days.

Compliance and Risk Landscape (2025)

Controlled foreign company rules in the European Union mean residents can be taxed on profits of foreign entities if management remains in their home country; good substance abroad and local directors help defend against this. Economic substance requirements and EU cross-border disclosure rules mean offshore entities must have real operations such as directors, offices, and staff. Base erosion and profit shifting Pillar Two and qualified domestic minimum top-up taxes have been implemented in Switzerland and other jurisdictions to ensure an effective rate of at least 15%. The UK Economic Crime and Corporate Transparency Act introduces identity verification for directors and persons with significant control from November 2025; acting as a director without verification will be an offence. In the US, foreign-owned LLCs must file Form 5472 with Form 1120; penalties are 25,000 US dollars for non-filing plus 25,000 dollars per 30 days after a 90-day notice.

Indicative Pricing

Jurisdiction	Typical Formation Cost	Ongoing Annual Costs
US LLC	500 to 900 US dollars	Annual state fees of 60 to 100 US dollars; Form 5472 and Form 1120 filing costs
UK LTD	100 to 200 British pounds raw; LaunchEntities all in approximately 599 US dollars	Account filing and CT600 accountant fees; 25% corporation tax on profits
Swiss GmbH/AG	8,000 to 12,000 Swiss francs setup (notary and capital deposit); 20,000 to 50,000 francs paid in capital	Local director fees, annual accounts or audit; 12 to 21% effective tax
UAE Free Zone	3,000 to 8,000 euros (varies by zone and visa package)	Office lease, agent service, annual corporate tax filing, and substance upkeep

LaunchEntities Positioning

LaunchEntities specializes in formation and ongoing compliance, not complex tax structuring. Our advantages include flat, transparent pricing with no surprise add-ons, compliance-first service that handles annual filings such as Form 5472, UK accounts, Swiss audits, and UAE tax returns, a global partner network of agents and notaries, and automation through accounting software and integration tools to streamline bookkeeping and reporting.

Example Cases

- An indie SaaS founder in Germany with 250,000 euros annual recurring revenue uses a US LLC for Stripe and PayPal access and saves approximately 70,000 euros compared to a local GmbH.
- A marketing agency in India with 150,000 euros revenue chooses a UK LTD for low formation cost and quick Wise account for European clients.
- A scaling SaaS business with 1 million euros annual recurring revenue sets up a Swiss AG, licensing its intellectual property to the Swiss entity, achieving an effective tax of around 13% and attracting venture capital investment due to Swiss credibility.
- A crypto trader in Pakistan with 500,000 euros profits forms a UAE Free Zone company, obtaining a residency visa, 0% tax on qualifying income, and a separate mainland entity for local trades taxed at 9%.

Decision Matrix

Profile	Recommended Setup	Reason
Solo SaaS (10,000 to 100,000 euros ARR)	US LLC	Stripe and PayPal access; 0% US tax on foreign income
Agency or B2B services	UK LTD	Low cost, credibility, and EU-friendly; small profits rate applies
Scaling SaaS or FinTech (500,000 euros+)	Swiss AG/GmbH	Investor credibility, stable banking, and effective tax between 12% and 21%
Global e-commerce or crypto	UAE Free Zone	Tax residency and 0% corporate tax on qualifying income; residency visa and high quality of life

If you would like a bespoke offshore blueprint for your specific situation, you can download the founders offshore compliance checklist or book a 17-minute strategy call with our team.