

## UNWRITTEN RULES: WHO CAN FILE A DOCUMENT ON BEHALF OF A MARSHALL ISLANDS OR LIBERIAN ENTITY?

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### GENERAL REQUIREMENT

**"If a dispute arises as to the ownership of a Marshall Islands or Liberian entity, any person who is not the AOR of the entity will not be able to make a filing on behalf of the company."**

Every Liberian and Marshall Islands non-resident entity must provide its entity registrar with the full address, email address and phone number of a person who will receive the entity's annual invoices and who will generally be the liaison between the entity and the registrar. This person is known as an entity's "address of record" (in Liberia) or "billing agent" (in the Marshall Islands). We call these an "AOR" in this briefing.

The AOR concept is not contained in the relevant associations laws of Liberia or the Marshall Islands; this is a practical requirement that has been imposed by each registrar.

The AOR is initially provided to the relevant registrar upon the establishment of an entity but can be changed during the life of the entity. A request to change the AOR

to a new person/company generally must be sent to the relevant registrar by the then-current AOR. An AOR can be an individual or an entity.

The Marshall Islands and Liberian registrars will accept documents to file and instructions only from an entity's current AOR or from a person that the AOR has specifically authorized, whom we refer to as a "qualified intermediary". If, for example, a Marshall Islands or Liberian entity wishes to file an amendment to its organizational documents, merge with another entity, or obtain a certificate of incumbency, the AOR must confirm that the filing is acceptable and authorized, or otherwise authorize — in writing to the registrar — another person to make the filing as a qualified intermediary.

### POTENTIAL ISSUES UNDER LIBERIAN LAW AND MARSHALL ISLANDS LAW

#### Bona Fide Dispute

If a dispute arises as to the ownership of a Marshall Islands or Liberian entity, any person who is not the AOR of the entity will not be able to make a filing on behalf of the company, or to receive and pay annual invoices on its behalf—even if they are the rightful owner or management of the company. Absent the consent of the current AOR, the registrars generally require a court order to change the address of record. This can be time intensive and expensive.

## Acquisition of a Liberian or Marshall Islands entity

When a person acquires, directly or indirectly, a Marshall Islands or Liberian entity, consideration should be given to whether the AOR should be changed to ensure continuity for the purchaser. Under certain circumstances, such as the acquisition of a group of companies, it is possible that no change is needed because the billing infrastructure is remaining.

## Death of an AOR

The death of an AOR can create significant issues for an entity, as the AOR cannot file any documents on behalf of an entity, nor can the deceased appoint a qualified intermediary to make filings. It is therefore important for any AOR that is an individual to have at least one or more qualified intermediaries to assist with any filings. It would likely be more prudent, however, to have an AOR be an entity with its own email domain address. This way, if a contact person passes away, there can be others who are able to prove they can speak on behalf of the AOR.

**"The AOR concept is not prescribed by statute but can be critical to controlling a Marshall Islands or Liberian entity."**

## Confidentiality

Due to privacy concerns, the Marshall Islands and the Liberian registrars may not disclose the identity of an AOR to third parties. If a third party needs to contact an AOR of a particular entity, it can ask the relevant registrar for assistance, and in our experience the registrars generally try to be helpful. The registrar may be willing to contact the AOR and ask that it contact the third party directly. However, the AOR is under no obligation to do so and the decision to initiate communication is entirely up to the AOR.

## CONCLUSION

While the AOR is not prescribed by statute, knowing who is the AOR for a particular Liberian or Marshall Islands entity, and how to change or work with the AOR, is important to ensure continuity of an entity.

## KEY CONTACTS



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