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Texas Limited Liability Company Registration Package

Unless otherwise mentioned, the quotation of U.S. Texas Limited Liability Company specifically refers that the Limited Liability Company (LLC) registration is in accordance with Texas Business Organizations Code.

Introduction

The basic package fee to register an LLC in Texas is USD 1,500. This package fee includes Kaizen registration service fee, registered address in Texas and registered agent fee (for one year), a standard operating agreement, and the registration fee collected by Texas Secretary of State.

To register an LLC in Texas, the documents provided by you include the business name that plan to use, registration capital (if any), each LLC member's share of profits and losses (if a multi-member LLC), identification (e.g. passport) and residence address proof (e.g. utility bill, bank statement, etc.) for each member, director, and manager (and secretary, if requested) of the LLC.

If neither the business name contains any restricted words, nor there is any special license requirement for certain business operation, the LLC registration takes about 7 to 9 business days. You can also request expedited service. In this scenario, the most expedited service is to accomplish the registration on the same day of filing the order to government. (Extra service fee needed).

1. An LLC in Texas Registration Services and Fees

Our fees for handling the registration of an LLC in Texas is USD 1,500, including the following services:

- (1) Checklist for the registration and archives
 - (a) Kaizen professional registration service fee;
 - (b) Check name availability for the LLC;
 - (c) Pay registration filing fee to Texas Secretary of State;
 - (d) Standard Operating Agreement;
 - (e) Minutes of first meeting of Board of Directors;
 - (f) Compile minutes for opening a business bank account resolution, if any;
 - (g) Customize a corporate kit, including metal corporate seal, share certificate, register of members, register of directors, shares transfer ledger, etc.

- (2) Registered Address and Registered Agent for the first year

Kaizen will offer a registered address in Texas and arrange a registered agent service for the first year in compliance with the address requirement of Texas Secretary of State.

Notes:

- (1) Kaizen fees quoted above do not include any document delivery fee during the business registration process, if any.
- (2) Kaizen fees quoted above exclude the taxes. If you request tax invoice, value-added tax at the prevailing rate may be charged and collected.

2. Other Relevant Services

- (1) EIN application

To identify and levy taxes on the LLC, the Internal Revenue Service requires each entity to obtain an Employer Identification Number (EIN). EIN is applied from Internal Revenue Service (IRS), and takes around 3 weeks to process. Expedited service is not available. Kaizen service fee for EIN application is USD 300. Kaizen will notify you through Email once received the EIN from the tax authority.

(2) ITIN application

If the LLC is required to apply the sales and use tax permit, or plan to open a business bank account in U.S., or the responsible person of the LLC is required to file individual tax return, then the responsible person must apply Individual Taxpayer Identification Number (ITIN) from Internal Revenue Service (IRS). The processing time is about 6 to 8 weeks, and it may take up to 11 weeks during tax season (Jan - April). Expedited service is not available. Kaizen service fee for ITIN application is USD 1,000. Kaizen will notify you through Email once received the ITIN from the tax authority.

(3) Sales and use tax permit application

If the LLC intends to sell or lease tangible personal property at retail or offer certain taxable service and has an office/warehouse or sales representatives in Texas, then the LLC is required to obtain the sales and use tax permit from Texas Comptroller. The processing time is about 2 to 4 weeks. Expedited service is not available. Kaizen service fee for sales and use tax permit application is USD 450. Kaizen will notify you through Email once received the seller's permit from the tax authority.

(4) State and local business license application

Generally, when the LLC registered at Texas with registered address provided by Kaizen, there is no need to obtain state/local business license if the LLC's business doesn't involve special industries (for example, restaurant, and lease activities) and the LLC will not hire employees or set up business office/warehouse at Texas.

If the LLC engages business in special industries in Texas, or has employees or office/warehouse at Texas, please consult with Kaizen consultants whether state/local city/county business license is required and the application process.

(5) Federal business license application

The LLC is not required to apply Federal Business License, unless the business 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, mining and drilling, nuclear energy, radio and television broadcasting, transportation and logistics. If needed, please consult with Kaizen consultants for details on the application process and fees as these depend on the business activity and the federal agency issuing the license.

- (6) Open a business bank account in U.S.

The LLC will meet the requirements to open a business bank account in U.S. after obtaining the EIN and ITIN. Kaizen consultants provide onsite assistance for the responsible person to open the business bank account. The service fee is USD 500. Please notice that the responsible person of the LLC is required to be interviewed and sign related documents onsite under the witness of the banker. Kaizen only provide the onsite assistance for the responsible person in New York.

- (7) Provide mailing address

Kaizen offers a New York address as your business mailing address. The mailing address can be used to receive letters from bank, government, and other related business letters for the LLC, then Kaizen will forward these letters to you through email (by default) or mail (if necessary). The service fee is USD 500 per year, not includes delivery fees if you prefer receive documents by mail.

- (8) Authentication

Kaizen provides the notary service for the formation documents, including authentication in Texas Secretary of State and Chinese Consulate General and Certificate of Incumbency. If needed, please consult with Kaizen consultants for more details on the process and fees.

3. Payment Time and Method

Kaizen requires to collect the full-service fee before starting the registration process. Kaizen accepts cash, bank transfer and wire transfer, check, and PayPal. You are responsible for the service fee if any. For example, Kaizen will charge an extra 5% for the transaction fee when PayPal method applied.

4. Fundamental Structure of an LLC in Texas

Minimum requirements for an LLC in Texas registration:

- (1) At least one incorporator, can be a member or officer;
- (2) At least one member. The member can be a legal entity or natural person, without nationality limitation;
- (3) At least one director. The director can be member, officer (and secretary, if requested), but must be a natural person;
- (4) At least one officer, must be a natural person;
- (5) The director or officer can sign legal documents on behalf of the LLC and record minutes of meetings;
- (6) No minimum registration capital requirement;
- (7) The business address should be in Texas.

5. Registration Procedures of an LLC in Texas

The registration procedures for an LLC in Texas are listed as follows:

No.	Description	Time (Business Days)
1	Kaizen was entrusted to handle the LLC registration in Texas; 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 schedule
2	Kaizen will check the name availability at Texas registration office;	1
3	Kaizen will compile the required document, including the Certificate of Formation and standard operating agreement;	1
4	Kaizen will send the documents mentioned in (3) to you to review and confirm the accuracy;	1
5	Kaizen will submit the Certificate of Formation to Texas registration’s office and pay the registration filing fee. The officer will review the document, and mail to Kaizen the sealed Certificate of Filing with filing date and filing number within 7 to 9 business days, if approved;	7-9
6	After the registration, Kaizen will customize the corporate kit, such as order the metal corporate seal;	7
7	Kaizen will arrange to apply the EIN, if being engaged to do so;	14-21
8	Kaizen will undertake the Certificate of Incumbency or certified copy of registration document, if being engaged to do so;	TBD
9	After the above procedures are completed, Kaizen will deliver all the documents to you at the address designated.	1

Note:

- (1) The number of days stated above are estimations and for reference only. In addition, they are estimated based on the assumption that no application for license or permit is required.
- (2) For No.5, if expedited service is requested, the registration will be processed within 2 business days with extra expedited service fees USD 200.

6. Documents Required to Register an LLC in Texas

You should provide the following documents to Kaizen:

- (1) Names of the proposed company. Please provide 2 to 3 preferred names in priority order;
- (2) Passport copy and residential address proof (utility bill, phone bill, or bank statement, etc for the most recent 3 months) in respect of each member, director, officer (and secretary, if requested) of the LLC. If the member is a legal entity, please provide the entity's registration document and registered address;
- (3) Registered capital and each member's share of profits and losses (if more than one member);
- (4) The detailed description of LLC's main business activities, such as the services intend to offer or products intend to sell, and location of potential customers/suppliers;
- (5) Date of commencement of business;
- (6) Number of Employees, if any;
- (7) Duly completed "due diligence questionnaire" provided by Kaizen.

The identification and address proof, mentioned in (2), should be certified or notarized by Kaizen, local notary at the place of the member and manager, lawyer, CPA, or bank manager.

7. Documents for you After the Registration

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

- (1) Certificate of Filing sealed by Texas Secretary of State;
- (2) Standard Operating Agreement in Texas;
- (3) Corporate seal customized with the LLC's name;
- (4) The minutes book, which used to record member list, register of directors, and share transfer ledger, etc.;
- (5) Minutes of first meeting of Board of Directors;
- (6) 10 pieces of blank share certificate;
- (7) EIN letter, if any;
- (8) Certificate of Incumbency and certified copy of registration document, if any.

The above documents are also available for pick up in any Kaizen offices.

8. Annual Renewal

An LLC in Texas should file an annual report, and file franchise tax return each year at or before May 15. Generally, if the LLC's annual revenue is less than USD 1.18 million per year, there is no franchise tax due, but the LLC must file the franchise tax with 0 tax due. If the annual revenue meets the minimum requirements, then LLC is required to file the franchise tax and pay relevant franchise tax.

Kaizen service fee for the annual renewal is USD 900, including provision of registered office, registered agent. Please note that this service fee does not include accounting, income tax filing, and franchise tax amount. We will send a renewal notice to you 2 months before the due date.

9. Other Compliance Services

An LLC is also required to operate in compliance with the Texas Business Organizations Code. For example, keeping all the vouchers and receipts, filing income tax return, and file annual report, etc. Kaizen U.S. office is a professional CPA firm, offers complete compliance services and business support, such as bookkeeping, financial statement audit, filing tax return, making payroll, etc. Please consult with Kaizen consultants for more details.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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Appendix: Texas LLC Registration Package, Other Relevant Services and Annual Renewal

ITEM	DESCRIPTION	AMOUNT (USD)	PROCESS TIME (BUSINESS DAYS)
Registration Package			
a	Kaizen professional registration service fee	1500	7-9
b	Check name availability		
c	Registered address and registered agent for the first year		
d	Pay registration filing fee to Texas Secretary of State		
e	Standard operating agreement		
f	Minutes of first meeting of Board of Directors		
g	Compile board resolution for opening a business bank account, if requested		
h	Customize a corporate kit		
Other Relevant Services (Optional)			
a	EIN application	300	15
b	ITIN application	1000	30-55
c	Sales and use tax permit application	450	10-20
d	State and local business license application	Please consult with Kaizen consultants	Please consult with Kaizen consultants
e	Federal business license application	Please consult with Kaizen consultants	Please consult with Kaizen consultants
f	Open a business bank account in U.S.	500	1
g	Provide mailing address	500	1
h	Authentication for formation documents and certificate of incumbency	Please consult with Kaizen consultants	Please consult with Kaizen consultants
Annual Renewal			
a	Provision of registered office	900	We will send a renewal notice to you 2 months before the due date
b	Registered agent		
c	File Annual Report		