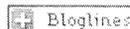
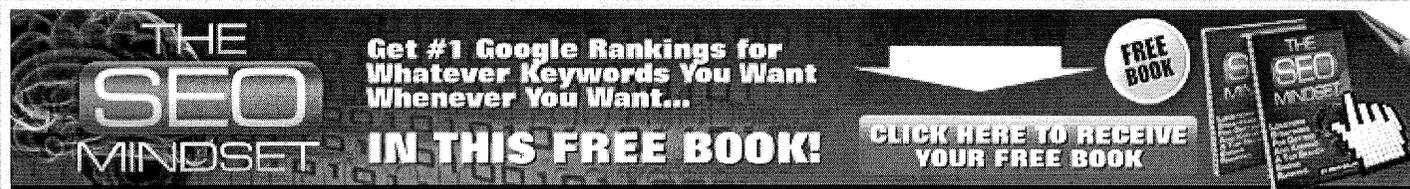


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Top 5 Reasons Why An Offshore Merchant Account May Be Right For You

By James B. Allen - Tue, 07/20/2004 - 4:01pm.



Incorporating an offshore merchant account into your online business is a process anyone who makes income online should consider. Currently little is known about this niche financial tool within the USA. The fact is though, not only can offshore merchant accounts be found that are completely up to par with their domestic counterparts, but they can also offer a number of benefits that can make their use even more appealing.

Next, we'll explore a few of the advantages of offshore merchant accounts in the hopes that the information may prove profitable to our fellow internet marketers.

1. Protecting Your Income

When talking about "going offshore", asset protection and legal tax reduction are the first things that usually come to mind. Acquiring a merchant account in an a low or no tax jurisdiction outside of your own borders can help you accomplish both of these things legally and securely if arranged properly.

Plenty of countries outside of the U.S.A. have an equivalent level of technology and banking infrastructure. Furthermore though, there are a number of these countries that are also much more tax friendly and privacy friendly than current laws allow for American banks to be.

Selling your products, services or subscriptions via an international merchant account and receiving the payments through an offshore corporation into an offshore bank account can legally cut down on your tax burden and put more money in your pockets.

2. New Businesses

For the new online business, procuring a domestic merchant account can often be difficult. Your chances of being accepted for a domestic merchant account are at the mercy of many factors, including your credit history, the type of business you are running, your business plan, funding and more. Furthermore, a domestic merchant account provider can require a large up-front security deposit if you are a new business.




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On the other hand, many offshore merchant account providers are considerably more entrepreneur friendly and are much more likely to accept a new business for a merchant account. On top of this, there are legitimate offshore providers who will set up your account without requiring a large deposit. Although the discount rate will invariably be higher, this can still be a better option for the new business where cash flow is important from the start.

3. Expanding Your Business Globally

Whether you are a new or established online business, expanding your customer base globally is an excellent way to increase your bottom line. Utilizing an offshore merchant account can help you achieve this in a couple of ways.

For one, there are plenty of international providers who will allow you to accept not only Visa and Mastercard, but also credit cards commonly used outside the U.S. such as JCB, Switch, Maestro and many of the debit cards common in Europe.

Furthermore, since your offshore merchant account can be integrated with an offshore banking account, you can accept funds in multiple currencies. Your customers can be presented with prices in their local currency and pay in their local currency, making it more convenient for them and therefore, more profitable for you.

4. "Sin" Businesses

Let's face it, despite the ideal of pure capitalism that America claims to be all about, the truth is another matter. Just try getting a domestic merchant account if you are operating an adult website! Banks will claim that high levels of chargebacks and fraud are the real reason they won't grant merchant accounts as easily for these types of businesses. Considering their profit potential and the fact the higher risk accounts can be balanced off with lower risk accounts, that defense doesn't quite hold up.

Fortunately, for those who have seen where the big money lies in online business - online gambling and online pharmacies for example, there are plenty of countries that aren't run by a "moral majority" that will be more than happy to consider almost any type of business for a merchant account.

5. Other Considerations

As you can see, there are many reasons to look into setting up an offshore merchant account. You can find an offshore merchant account to suit almost any situation, be it integrating it into your online shopping cart, accepting payments for recurring subscriptions or making sales of downloadable products. Many offer easy online access and administration too.

Keep in mind though, discount rates tend to be higher for offshore merchant accounts - upwards of 6% as opposed to 2-3% domestically. Also, depending on the type of business and other factors, the hold back amount may be higher. Both of these factors are small prices to pay considering the benefits though.

When comparing offshore merchant account providers, be sure to take these points into consideration. Ask plenty of questions and make certain to get recommendations from current customers. Do your due diligence and always consult your lawyer or financial advisor before taking any action.

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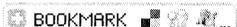
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domestic banks), there are plenty of legitimate providers of offshore merchant accounts. Coupled with the multitude of profitable and protective benefits that many offer, all internet marketers and online business people would be well advised to explore this financial tool further.

James B. Allen is a niche market consultant who provides keyword research for a small, exclusive client list of internet marketers, website designers and SEO professionals. Visit him at <http://www.NichesExposed.com>



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Key Advantages Of An Offshore Merchant Account

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An offshore merchant account can be your only choice if you're in the high volume high risk business, and a domestic provider is either not accepting you for merchant account services, or is asking for a huge security deposit or cash bond. However, with the advancements in both regulatory environments as well as technology with offshore merchant account destinations, it does not have to be looked at as a last resort, but rather a convenient and beneficial choice.

In most cases, a domestic merchant account will be the most convenient option, as the e-tailer will not have to spend too much time setting up offshore, and will be familiar with the laws of the land in which it operates. Going offshore means setting up a business entity in another land, involving both time and money, more so than in the case of a domestic provider. However, with the tremendous growth of the offshore segment, setting up a merchant account offshore can be much simpler and convenient with the right merchant account provider. If your business is categorized as high risk or it lacks a track record or has a bad credit history, an offshore merchant account is ideal, as screening processes are much less stringent offshore. Although set up, maintenance and processing fees can be higher offshore, going outside domestic borders can open up a global network of banks and processors to choose from, enabling the e-tailer to choose from a wide variety of deals in terms of fees and charges, as well as security and technology. Hence, the e-tailer has a much high probability of finding the most compatible partner for its sales volume as well as nature of business.

Offshore merchant accounts can offer substantial benefits for an e-tailer including:

1. **Taxation benefits:** Being set up offshore in specific tax havens can substantially reduce tax liabilities. Many countries have tax treaties in place with other less developed nations that enable business to reduce not just total tax liability but also taxes on individual transactions, which can add a significant chunk to the retailer's bottom line.
2. **No processing limits:** Going offshore can be an excellent option for high risk high volume businesses, as they will not be limited by a ceiling on the volume of transactions, which may be imposed by a domestic bank, due to their relatively

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3. Multi-currency acceptance: Offshore merchant account providers can make it simpler to accept payments in multiple currencies as well as receiving remittances in multiple currencies. This can be beneficial for e-tailers who receive a significant amount of inward remittances in foreign currencies, and can use the offshore account to insulate the effect of currency fluctuations.

4. Excellent security: For many offshore destinations such as Bermuda, the merchant account and credit card processing are mainstays of the entire economy, and are hence investing heavily in providing dedicated 'special economic' zones with infrastructure specially designed for this industry. Hence, the retailer can benefit from state of the art technology and security, which indeed is being used even by many domestically located banks to outsource their credit card processing needs.

5. 24/7 live: With an offshore merchant account, the provider can offer 24/7 services to remain online and function for any time zone, thereby providing greater access to a global market. In addition, the anytime available customer services can be critical to a successful sale when an order comes in that needs to be verified in real time.

An offshore merchant account is hardly a compulsion now, as with increasing competition and propagation of providers, fees are constantly coming down and many providers offer attractive packages for online retailers. Believe it or not, the latest innovation in the industry seems to be zero fee merchant accounts, which are similar to some third party credit card processing options. With these accounts, there are no set up or maintenance fees; the provider charges a percentage of each transaction instead. However, all offers apart, the offshore merchant account must be chosen with care, and set up through an established provider such as Stradafee. It may prove to be the best choice for any type of retail business.

Jennifer Loganathan is the President and CEO of Stradafee Limited. Stradafee is an electronic payments company as well as an eCommerce and Internet merchant account provider. Merchant accounts make it possible for businesses to provide online credit card processing. For more information on credit card processing visit <http://www.stradafee.com>



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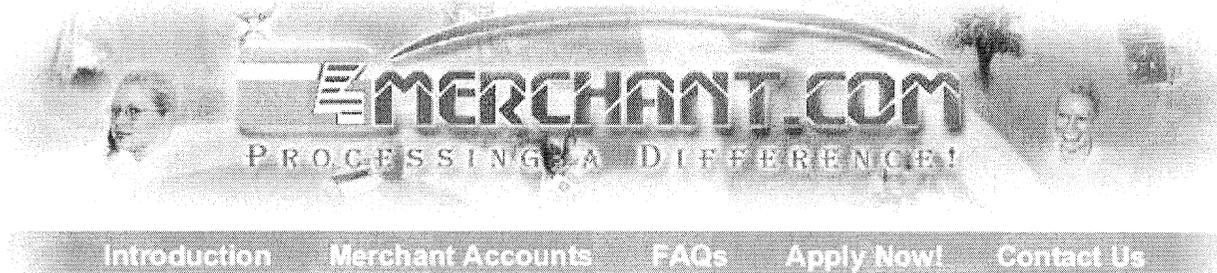
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TAB 7



OFFSHORE MERCHANT ACCOUNT

Offshore merchant accounts are the must for every e-business today that wants to be competitive and successful. Accepting credit cards over the internet or by other means (phone or fax) significantly increases your turnover. To stay competitive you need to offer your customers a wider choice of payment options or they will go elsewhere.

Offshore merchant account is the key to your prosperity in e-commerce world, combined with offshore company it allows you to trade tax free.

OFFSHORE MERCHANT ACCOUNTS AND THEIR BENEFITS

- Offshore merchant accounts generate more profit than normal merchant accounts as they are tax-free
- You become more competitive through offshore merchant accounts because you can offer lower prices due to tax savings than your competitors
- Your generated profits stay offshore and earn money tax free

And of course offshore credit card processing through merchant account will enable you to trade 24 hours a day 365 days a year.

Your customers would be able to see your company's name on their statement if you choose to do so. You would be able to accept cards by using your own merchant VU (company vendor number). It helps to minimise the chargebacks. Please refer to our [FAQ](#) section for more details about it.

All *Offshore Merchant Accounts* are multicurrency accounts. It means that you can display and charge clients in different currencies and be settled in the currencies of your choice.

In order to derive the full benefits of e-commerce you need to trade through an offshore company and a bank account in its name. Good structure and reliable offshore merchant services are what you need to achieve your objectives.

Note for applicants for Offshore Merchant Accounts

We only accept clients whose offshore companies are incorporated in the following offshore jurisdictions: Isle of Man, Jersey, Guernsey, Sark, Alderney, Andorra, Cyprus, Malta, Madeira and Gibraltar.

If you do not fall into this category, we can recommend you reliable incorporators that will provide a fast and cost effective service to you.

We do not discriminate offshore companies by offering them higher discount rates. Our offer for merchant accounts is the same for onshore and offshore companies. Please choose the link below that describes your activity more appropriate, check our typical rates and offers for your offshore merchant accounts and apply online!

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