



“The biggest, brightest and fastest-growing companies are incorporated in Delaware. The State’s infrastructure, courts and laws create an **environment for success and growth** that investors can trust.”

Jeff Bullock
Delaware Secretary of State

HOW TO FORM A DELAWARE BUSINESS

A short guide to the steps, timing and cost of forming a Delaware corporation or limited liability company.

FORM A CORPORATION IN 4 STEPS:

1 CHOOSE A BUSINESS NAME

Check online to see if the company name you want is available. You can reserve the name [online](#) for a \$75 fee.

2 APPOINT A REGISTERED AGENT

Delaware requires that you appoint a registered agent to receive service of process and other state correspondence on behalf of your company.

You can act as your own agent if you have a Delaware address (as opposed to a post office box). You can appoint someone else, such as your attorney or your accountant, or use a registered agent service company. The cost for a registered agent service company can range from \$50 to more than \$300. You can find a list of registered agent service companies [here](#).

3 COMPLETE A CERTIFICATE OF INCORPORATION

Delaware’s Certificate of Incorporation requires the name of the corporation, the name and address of its registered agent, the purpose of the corporation, and the total number of shares the corporation is authorized to issue. You can find a draft certificate [here](#). The standard fee for filing the Certificate of Incorporation in Delaware is \$89. Processing time for a standard filing is generally measured in days, rather than weeks or months. Expedited filing is available for overnight or even same-day service, for an additional fee.

4 REMAIN IN GOOD STANDING

All Delaware corporations are required to file an annual report and to pay a franchise tax. The annual report filing fee for all Delaware corporations is \$50. The franchise tax is assessed according to the number of authorized shares. For corporations with 5,000 or less authorized shares the minimum tax is \$175. You can find more information on how to calculate your annual franchise tax [here](#). Payment is due by March 1 every year. Corporations have the option to pay [online](#).



“Delaware Limited Liability Companies offer owners and managers around the world broad contractual **flexibility, protection from personal liability,** and the certainty of a market-tested statute.”

Robert L. Symonds, Jr. and
Matthew J. O'Toole,
Partners at Potter Anderson &
Corroon LLP

HOW TO FORM A DELAWARE BUSINESS

FORM AN LLC IN 4 STEPS:

1 CHOOSE A BUSINESS NAME

Check online to see if the company name you want is available. You can reserve the name for a \$75 fee.

2 APPOINT A REGISTERED AGENT

Delaware requires that you appoint a registered agent to receive service of process and other state correspondence on behalf of your company.

You can act as your own agent if you have a Delaware address (as opposed to a post office box). You can appoint someone else, such as your attorney or your accountant, or use a registered agent service company. The cost for a registered agent service company can range from \$50 to more than \$300. You can find a list of registered agent service companies [here](#).

3 COMPLETE AND FILE A CERTIFICATE OF FORMATION

Delaware's Certificate of Formation includes the name of the LLC, the name and address of its registered agent, and any other information that the members choose to include. You can find a draft certificate [here](#). The standard filing fee for forming a Delaware LLC is \$90. Processing time for standard filing is generally measured in days, rather than weeks or months. Expedited filing is available for overnight or even same-day service.

4 REMAIN IN GOOD STANDING

Delaware LLCs are required to pay an annual alternative entity tax of \$300. Payment is due by June 1 every year. You have the option to pay your alternative entity tax [online](#).

ADDITIONAL CONSIDERATIONS:

OBTAIN AN EIN OR ITIN

You must obtain a federal Employer Identification Number (EIN) or Individual Tax Identification Number (ITIN) from the Internal Revenue Service if you plan to hire employees or open a bank account in your company's name.

OPEN A BANK ACCOUNT

A U.S. banker may ask to see your organizational documents, such as a certificate of incorporation, in order to verify the name and nature of your business. You will also need to provide proof that your business is registered with the IRS, and that you are authorized to open the account.