

Incorporation

A corporation is a separate and distinct legal entity. This means that a corporation can open a bank account, own property and do business, all under its own name. A corporation is managed by a board of directors, which is responsible for making major business decisions and overseeing the general affairs of the corporation.

When an affiliate incorporates, they will receive their Articles of Incorporation, which is a short document filed with a state to formally create a corporation. In some states, it is called a "certificate of incorporation."

There are two types of Incorporation that are defined by where and when they are attained:

Domestic: a business that is incorporated in the same jurisdiction they are primarily located in, usually the first incorporation.

Foreign: a business that is conducting business outside their original "domestic" incorporation jurisdiction.

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Most jurisdictions require annual or bi-annual reporting or updating.