



# Going Global

## United States

**Now, for tomorrow**



# Going Global | **United States**



# United States

Once the conditions of having a Permanent Establishment in a particular territory have been met, the following key points should usually be considered:

Key requirements	Response
Main types of entity	<ul style="list-style-type: none"><li>- C-Corporation (Inc)</li><li>- Limited Liability Company (LLC)</li><li>- S-Corporation</li><li>- Branch</li><li>- Joint Ventures</li><li>- Partnership</li><li>- Sole Proprietorship</li></ul>
Any material advantages regarding having a <b>branch or a company</b> ?  (Excluding the liability of a company typically not extending to its parent company and losses of a branch potentially being available to an overseas parent)	Advantage Branch (examples) <ol style="list-style-type: none"><li>1. No capital contribution for a separate entity (other than what may be required for regulatory purposes)</li><li>2. No additional/extra audit and managing director or similar administrative costs</li></ol> Advantage Company <ol style="list-style-type: none"><li>1. US Tax treaties may offer reduced with-holding taxes on distribution of profits to Parent Company</li><li>2. Exit strategy on sale of stock may be preferential for foreign investors</li></ol>
Can <b>company and branch</b> registrations be completed by Baker Tilly or must a third party, such as a law firm, be involved?	Public accounting firms in the US cannot provide legal advice and therefore incorporation/ formation of a company or branch should be per-formed by an external law firm.

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## United States continued

Key requirements	Response
Once the <b>company or branch</b> has been set up, what other main registrations are typically required?	Tax registration; Payroll (social security) registrations; Business registrations in states in which doing business; and regulatory agency registration (if applicable).
What information must typically be provided to set up a <b>company or branch</b> ?	<ul style="list-style-type: none"><li>- owners</li><li>- directors</li><li>- bank account</li><li>- number of employees, sales representatives, agents, etc.</li><li>- description of activities and type of sales</li><li>- article of association</li><li>- excerpt from commercial register</li></ul>
Does a local <b>company / branch</b> require a local shareholder, local nominee director or local representative? If so, indicative typical costs.	No, this is not necessary. However, if the directors do not act locally, but take key decisions in another country, this other country might consider the company to be tax resident in its country or to have a management PE there.
Any other local requirements for a <b>company or branch</b> , such as a business licence?	Business licences, professional licenses, depending on industry and trade, may be necessary.

Key requirements	Response
Typical cost of registering a <b>company</b> including professional fees and authorities' charges?	Tax support and registration fees are in the range of \$2,500 to \$7,500.  Legal fees vary depending on state, but are in the range of \$2,500 - \$7,500 for registration and incorporation fees
Typical cost of registering a <b>branch</b> , including professional fees and authorities' charges?	\$2,500 to \$5,000 for support in tax registration. Costs vary depending on type of entity.
Typical timeframe for registering a <b>company</b> once all the information has been provided	One day to one week.
Typical timeframe for registering a <b>branch</b> once all the information has been provided	Less than one week, depending on the subsequent processing by the authorities.
Audit requirements / threshold	Listed entities generally must have an audit of their annual financial statements. Not applicable for other entities.
Accounting regime / GAAP	Predominately, US GAAP
Requirements around filing financial statements	Listed entities must file audited annual financial statements and other filings, to the SEC. Not applicable for other entities.
Key contact for establishing a company / branch	<p>Jim Alajbegu Firm International Tax Leader jim.alajbegu@bakertilly.com +1 646 776 6162</p> <p>Lynette Stolarzyk Central Region International Tax Leader lynette.stolarzyk@bakertilly.com +1 612 876 4573</p> <p>Jim Lawson East Region International Tax Leader jim.lawson@bakertilly.com +1 215 517 2063</p>

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Every day, 34,700 people in 145 locations share experiences and expertise to help privately held businesses and public interest entities meet challenges and proactively respond to opportunities. International capability and global consistency of service are central to the way we work.

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