



# FINDING YOUR WAY

The Trade and Investment  
Guide to the US

2026/27

## About BritishAmerican Business

BritishAmerican Business is the leading transatlantic trade association incorporating the British-American Chamber of Commerce in the US and the American Chamber of Commerce in the UK.

We are committed to strengthening the economic corridor between the United States and the United Kingdom by supporting policies and actions that protect and enhance the environment for transatlantic trade and investment on behalf of our members.

We convene and serve a growing network of companies and business leaders through networking opportunities, bespoke programming and marketing platforms.

We actively promote trade and investment and support those who make the transatlantic corridor part of their business growth ambition.

 [www.babinc.org](http://www.babinc.org)

 BritishAmerican Business

 @BritAmBusiness

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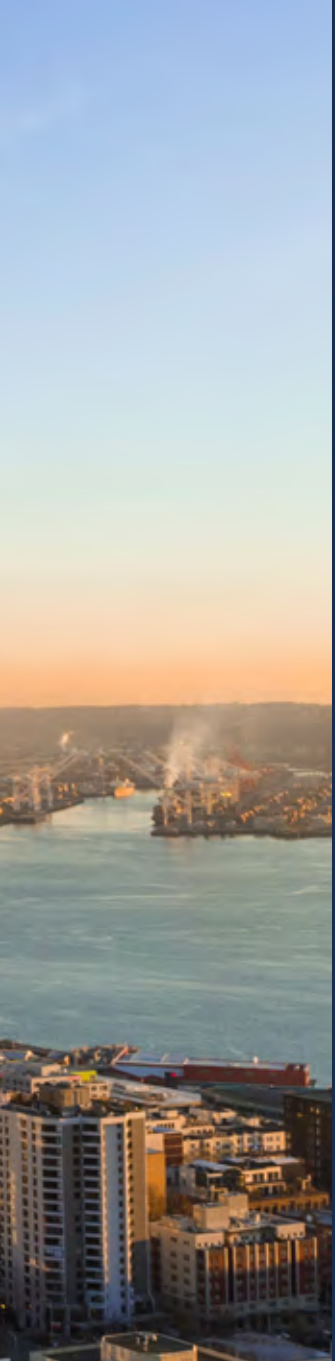
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**WELCOME**



## Welcome to the US: A Prime Destination for UK Businesses

This updated edition of the BAB Trade and Investment Guide to the United States is presented in a refreshed format and design.

As with its sister publication focusing on the UK, the core content that our readers value so highly remains unchanged. However, this edition has been streamlined into a more concise format, with greater emphasis on the insights and resources that users find most practical and relevant.

In addition to providing an overview of the attractiveness of the US market for UK goods, services, and investment, the Guide continues to address many of the key questions that arise when considering expansion to the United States - from logistics and human resources to legal services and finance.

The Guide also highlights how best to access and benefit from the services offered by government and partner organisations, including BritishAmerican Business (BAB) and the chapters of the BritishAmerican Business Network (BABN).

The UK-US trade and investment relationship has undergone notable change since 2025, when the United States introduced a new approach to trade and investment policy. While these developments have had an impact on some UK businesses (particularly on UK exports of goods), the transatlantic economic corridor remains strong, and businesses are finding ways to adapt. The depth and resilience of business ties continue to provide a solid foundation,

encouraging policymakers to work toward solutions that support fair and balanced trade between both economies. In times of change such as these, a guide like this can be especially valuable.

Against this backdrop, the purpose of this Guide is to bring together a wide range of information and help readers navigate it effectively. While there is a wealth of support available, our experience shows that a clear introduction to the landscape, and an understanding of when and how different services can be most useful throughout the expansion journey, is critical to success. We hope that this Guide will build on its track record as one of the leading resources of its kind.

We are grateful to the many partners whose contributions make this publication possible: the team at SelectUSA and the Commercial Service at the US Embassy in London; the UK Department for Business and Trade; our partners British Airways, Forvis Mazars, JobsOhio, and The Medical Link for their support in producing this Guide; and the many private sector organisations, regional partners, and networks whose insights and expertise we draw upon.

We look forward to engaging with you, whether at BAB Accelerate Series events on both sides of the Atlantic or in celebrating your achievements at the annual Transatlantic Growth Awards.



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# Why the US? 10 Reasons to Invest and Expand Here

## The World's Largest and Most Resilient Consumer Market

The US is the world's largest consumer market, accounting for approximately 30% of global household consumption with over \$19 trillion in annual expenditures as of 2024-2025. Investors continue to be drawn by the country's expanding economy, demand for high-quality goods and services, and vast consumer base – US consumers drive the largest share of global demand, supported by high purchasing power and a projected \$31.8 trillion nominal GDP economy in 2026.

## Growing and Deepening State-Level Engagement

The UK has a vibrant network of state-level relationships. In addition to its dense network of consulates and government offices across the US, the UK has special Memoranda of Understanding with Indiana, North Carolina, South Carolina, Oklahoma, Utah, Washington State, Florida, Texas, Colorado, Illinois, Oregon, and California - creating practical frameworks that help UK firms access local networks, overcome on-the-ground barriers, and tap into high-growth regional markets.



## The US-UK Special Relationship

The United States and the United Kingdom share a long standing and uniquely close “special relationship.” As a large and dynamic economy with consumers receptive to British goods and services, the US presents significant opportunities for UK exporters and investors. These opportunities are reinforced by minimal language barriers, familiar business practices, and relatively low regulatory friction in many sectors. British companies operate across all US states, underscoring the depth of commercial and cultural ties between the two countries. Since May 2025, the UK and the US have negotiated a series of agreements that provide UK exporters with more favourable market access than that available to most other international partners.

## The UK's Most Important Trading Partner

The US is the UK's largest single trading partner, accounting for 17.5% of total UK trade in the four quarters to Q4 2025. Bilateral trade reached £331.5 billion, up 2.5% year-on-year, underscoring deep, stable commercial ties. UK outward FDI into the US stood at £529.9 billion at the end of 2024, rising 11.2% from the previous year - evidence of strong and enduring investor confidence.

### **Unmatched Innovation Ecosystems**

The US hosts world-leading innovation clusters across technology, life sciences, clean tech, and manufacturing. Investment in research-intensive sectors continues to rise - for instance, 2025 saw a 35% increase in newly announced semiconductor projects, signalling sustained growth in high-tech manufacturing capacity. The US is also a global leader in Research and Development, accounting for around a quarter of the world's total R&D spending.

### **Ease of Doing Business**

Thanks to a business-friendly regulatory environment and a business culture that encourages free enterprise and competition, the US is consistently ranked among the best countries internationally for its ease of doing business. In the IMD World Competitiveness Ranking for 2025, it ranked 13th out of 69 countries. Moreover, the US federal and local governments are known to be business-friendly, providing a host of incentives for foreign companies to locate in their states and cities. Many US States maintain representation in Europe, including in the UK, and organise regular delegation visits to the UK.

### **The Top Global Destination for Foreign Direct Investment**

The US is the largest recipient of Foreign Direct Investment (FDI) globally, having

topped Kearney's global FDI Confidence Index for 13 consecutive years, which reflects multinational executives' strong preference for the US business environment, talent pool, and innovation ecosystems. Greenfield FDI data across 2017–2024 confirms the US as the largest recipient of FDI across multiple sectors, from advanced manufacturing to financial services.

### **A Skilled Workforce and a Strong Labour Market**

The US workforce is one of the most productive and resilient in the world, with labour productivity continuing to rise, growing 2.8% in Q4 2025 according to the latest data. It is also large, diverse, and highly mobile: the civilian labour force reached a record 170.7 million in early 2025, reflecting strong participation across sectors. Despite global economic uncertainty, the US labour market has remained robust, maintaining near full employment conditions with unemployment at 4.1% in mid-2025.

### **Geographic Diversity and Flexibility for Market Entry**

The US offers exceptional geographic diversity, allowing UK companies to choose locations that match their sector, cost base, and talent needs - from automotive-focused states like South Carolina and Georgia to major financial and tech hubs such as California, New York, and Florida.



For example, Ohio consistently ranks among the top performers nationally for projects, jobs, and capital investment, completing 377 projects and attracting \$19.3 billion in capital investment in 2024 alone, making it one of the most dynamic environments for international businesses scaling in the US.

### **Good Partners 'On The Ground'**

Whether it be the US Commercial Service, the UK Department for Business and Trade, BritishAmerican Business and the BABN Chapters, or Economic Development Agencies and Service providers, there are plenty of helpful partners around, with specific expertise in the US market.

# Sector Highlights: Key Industries of the US

## Advanced Manufacturing (incl. Aerospace, Defence, Electronics & Space)

US advanced manufacturing remains globally competitive, with private goods-producing industries growing 3.6% in Q3 2025. Manufacturing output rose 0.6% in January 2026 amid stable industrial activity. The US was also the world's largest producer of oil and gas in 2024, supporting energy-linked manufacturing supply chains. Strong federal incentives have driven USD 60bn in new manufacturing investments in 2024, particularly in semiconductors, clean-tech materials, and advanced electronics production.

## Biopharmaceutical and Life Sciences

The US leads global life sciences innovation, supported by a large and growing health workforce. Healthcare and social assistance employed nearly 18 million people in 2024, the largest private-sector employer in the country. The broader health industry employed 19–20 million workers in 2025, about 12% of the national workforce, reflecting strong demand for advanced therapies, chronic-care management, and biomedical innovation. Deep capital markets, leading research institutions, and robust IP protections underpin the sector's sustained strength.

## Software, IT and Artificial Intelligence

The US remains the world's most advanced technology market. Net tech employment reached 9.6 million workers in 2024, with tech occupations expected to reach 6.1 million in 2025. Growth is concentrated in AI systems, cybersecurity, cloud services, and data-centre infrastructure. Leading tech hub, including San Jose, Seattle, San Francisco, Austin and Raleigh, maintain the nation's highest levels of tech economic activity, supported by sustained investment across digital industries.

## Automotive and Advanced Mobility

The US remains a major vehicle production hub, with transportation-related manufacturing reflected in business equipment output rising 0.9% in December 2025. The sector is rapidly transitioning toward electric and autonomous mobility, supported by federal incentives and expanding domestic battery and EV supply-chain capacity. Investments in advanced automotive electronics, clean-energy drivetrains, and next-generation mobility systems continue to strengthen the US position as a global advanced-mobility market.

## Agribusiness, Food and Ag-Tech

Agriculture and food production remain strategically significant within the US economy. Growth in private goods-producing industries, up 3.6% in Q3 2025, includes agricultural and related processing activity. The US is a global leader in agritech innovation, spanning precision agriculture, biotechnology, robotics and sustainable food systems. Combined with world-scale natural resources and advanced supply-chain infrastructure, the sector continues to attract strong investor interest.



### **Professional and Business Services**

Professional and business services are central to US economic performance, with private services-producing industries increasing 5.3% in real value added in Q3 2025, contributing significantly to GDP growth. This broad sector includes consulting, legal, accounting, scientific, and technical services - all essential to business expansion. Strong IP protections, transparent regulations and a deep talent pool maintain the US as a preferred market for global professional-services firms.

### **Media, Entertainment and Digital Content**

The US remains the world's largest media and entertainment market. Private services-producing industries grew 5.3% in Q3 2025, reflecting strong consumer demand across digital content, streaming, gaming and entertainment services. Investment continues to expand in streaming platforms, immersive media, and digital advertising, underpinned by world-leading creative clusters and robust distribution infrastructure.

### **Financial Services and FinTech**

Financial services are a major US economic pillar. In 2023, finance and insurance accounted for 7.3% of US GDP. The US financial services market reached USD 65.18bn in 2025 and is expected to grow at 7.47% annually through 2035, driven by fintech innovation, digital payments, and AI-enabled financial tools. Digital banking adoption is widespread, with over 50% of US consumers using digital banking channels in 2024.







# GETTING STARTED



## Getting Started

### *Questions and Answers to Guide You Through Your Expansion*

Congratulations! You are holding in your hands an updated edition of one of the most comprehensive trade and investment guides in the market, exclusively focused on the UK-US trade corridor.

When looking to export or to expand to the US, there are lots of things that you will need to think through, such as legal and tax considerations, HR, shipping and customs, setting up a business overseas, deciding on where to go,

which public or private partners can support you, and how to get people across the Atlantic and families settled. The different sections of this guide will hopefully offer you useful answers to many of these questions, as well as helpful resources you can turn to.

This short guide is particularly aimed at those of you who are just getting started, and it is meant to help you filter which information and support you may need among all the resources available

out there. Specifically, both the information you need and the support you can use will largely depend on what kind of business you are and what exactly it is you are trying to do. Establishing a set of 'expansion parameters' early on will help you structure your planning, and ultimately save you time.

Here are the steps we recommend you take to get started.

## Deciding on Whether the US is a Good Place to Expand to

### Market Demand – Is There Appetite for Your Product or Service in the US?

- Though UK companies are by far the largest investors in the US, and the US is the top export destination for almost all UK regions and nations, assessing the market demand for your product(s) and service(s) is the most important point to consider when thinking about expanding across the Atlantic.
- Generally, a good indicator to define whether the US is a good market for your business is when there is existing interest in your product or service, for example via an online inquiry or following a successful presentation of the product at a local trade show; or whether there is an existing anchor client at home who can take you there.
- Many business relationships are built around an existing strong economic and political relationship. For example, the UK has eight consulates, in addition to the Embassy in Washington D.C. and several government offices, as well as special Memoranda of Understanding (MoUs) with twelve US states (South Carolina, Indiana, North Carolina, Oklahoma, Utah, Washington State, Florida, Texas, Colorado, Illinois, Oregon, and California). While the consulates and government offices can support businesses with day-to-day services, the MoUs highlight specific sectors with significant growth potential.



## Contracts and Bidding

- Taking part in the bidding for private or public contracts in the United States can be an effective route to market. However, you should be aware of substantial differences between the public and private procurement processes.
  - Private sector contracts in the US are not required to be publicly advertised, and opportunities are often relationship-driven. Networking, engaging directly with potential clients, and monitoring industry-specific channels is essential, as private tenders can be difficult to source and generally follow less formal and less regulated procedures than public procurement.



This flexibility may work to your advantage, as private buyers often negotiate terms directly rather than using rigid criteria.

### Learn More:

- [www.trackerintelligence.com/resources/procurement-news/how-to-tender-for-private-sector-contracts/](http://www.trackerintelligence.com/resources/procurement-news/how-to-tender-for-private-sector-contracts/)
- [thorntonandlowe.com/tendering-for-private-sector-tenders](http://thorntonandlowe.com/tendering-for-private-sector-tenders)

- Public sector contracts, on the other hand, are typically government-sponsored, and they follow a highly structured and regulated process. All federal opportunities are published centrally on [SAM.gov](http://SAM.gov), the US government's official portal for contract solicitations, contract awards, and subcontracting reports. Additional federal opportunities may appear on the General Services Administration (GSA)'s [eBuy platform](http://eBuy.platform). The US Embassy in London has a [dedicated guide](#) on how to bid on US contracts.



### Useful Resources

- For companies who are at the beginning of their expansion journey, we recommend starting by learning from peers, for example by taking part in an Accelerator programme. BAB's very own [Accelerate series](#) has become a great community of like-minded businesses, with a [dedicated newsletter](#) offering insights and connections for SMEs. Learn more about this programme on page 25.
- For businesses looking to export, the UK Department for Business and Trade offers a [US Market Overview](#) that takes you through some general indicators on market demand, opportunities and methods of market entry. The UK government's resources also offer regular updates on changes to the US tariff regime and other market access criteria. For companies looking to invest, the [SelectUSA website](#) offers some initial information on what makes the US a good place to invest and how the US government can support your efforts.

### More Information

<b>BAB Accelerate:</b> a business networking community for middle market companies, growth businesses and startups looking to establish a transatlantic footprint.	<a href="http://www.babinc.org/bab-accelerate">www.babinc.org/bab-accelerate</a>
<b>Department for Business and Trade:</b> the UK's trade and investment department, supporting businesses to invest, grow and export	<a href="http://www.business.gov.uk/export-from-uk/markets/united-states">www.business.gov.uk/export-from-uk/markets/united-states</a>
<b>SelectUSA:</b> a US government program helping bring new business and investment to the United States	<a href="http://www.trade.gov/selectusa">www.trade.gov/selectusa</a>

- To get in touch with the regional trade support teams from the UK Department for Business and Trade in England, visit [www.great.gov.uk/support/export-support](http://www.great.gov.uk/support/export-support).
- For Scotland, Wales and Northern Ireland, search for their respective trade and investment services, for example Business Wales Export. Contacts for the US Commercial Services in United Kingdom can be found below.

### Regional Support

<b>England:</b> England-based businesses seeking export support should contact the UK Department for Business and Trade	<a href="http://www.great.gov.uk/support/export-support">www.great.gov.uk/support/export-support</a>
<b>Scotland:</b> if you're Scotland-based and looking to get export support, speak to Scottish Enterprise	<a href="http://www.scottish-enterprise.com/how-we-can-help/exports-and-international-markets">www.scottish-enterprise.com/how-we-can-help/exports-and-international-markets</a>
<b>Northern Ireland:</b> InvestNI is the agency to speak to if you're looking for export support from Northern Ireland	<a href="http://www.investni.com/support-for-business/export-to-grow">www.investni.com/support-for-business/export-to-grow</a>
<b>Wales:</b> the Welsh Government provides free guidance for Welsh businesses looking to export globally	<a href="http://businesswales.gov.wales/export">businesswales.gov.wales/export</a>
<b>US Commercial Service:</b> the US Government's trade experts can help you identify trade opportunities in the US and win international business	<a href="http://www.trade.gov/united-kingdom-contact-us">www.trade.gov/united-kingdom-contact-us</a>



## Assessing Your Expansion Readiness

### Straight to Market – My Business is Operationally and Financially Ready

- If you were successful in bidding for a contract, secure a new client at a trade show, or have an anchor client in your home market who would like you to offer your products and services in the US, whether or not you can act on the opportunity will depend on your operational and financial capacity to deliver.
- If both operational and financial capacity are available, your business can look at going straight to market.

### Scaling – My Business Needs to Build its Operational and Financial Capacity

- If you need to scale first, you may want to explore funding options through your local banking partner or raising capital through investment. The UK government has a [dedicated page](#) that covers finance and funding as part of its offering. Some private organisations also offer finance and funding as part of their programme.
- For exporters, [UK Export Finance](#) provides a useful option to access working capital and insure you against the risk of not getting paid. The agency has Export Finance Managers (EFMs) across the UK who can provide free, impartial advice to businesses on their export finance needs.
- Finally, use the UK government's [Export Planning tool](#) to test your export readiness. In addition, the 'Learn to Export' guide, available through the UK government on their website, will walk you step-by-step through the process of becoming an exporter. It will also offer you the opportunity to sign up to the [UK Export Academy](#), a free training programme for UK exporters.



### Useful Resources

UK government: Starting a Business in the UK	<a href="http://www.business.gov.uk/start">www.business.gov.uk/start</a>
UK Export Finance	<a href="http://www.ukexportfinance.gov.uk">www.ukexportfinance.gov.uk</a>
UK government: How to Create an Export Plan	<a href="http://www.business.gov.uk/export-from-uk/learn/categories/market-research/evaluate-opportunities/how-to-create-an-export-plan">www.business.gov.uk/export-from-uk/learn/categories/market-research/evaluate-opportunities/how-to-create-an-export-plan</a>
UK government: Business Academy	<a href="http://www.business.gov.uk/business-academy">www.business.gov.uk/business-academy</a>

## Bringing Your Product or Service to Market

Once you have a client and the operational and financial capacity to expand your business, you will need to understand how best to bring your product or service to market. Your product will pre-define what options you have.

### Route to Market – Physical Products

- If you produce a physical good destined for export, you will need to ensure that your product meets country-specific standards, regulations, packaging and labelling requirements, in addition to any tax due when crossing the border. The UK Department for Business and Trade's [dedicated export website](#) helps you navigate [duties, taxes and customs](#) as well as codes, tariffs and procedures. Depending on the product, the latter can be a longer and complicated process, and it will often require an in-house regulatory team and/or external specialists, especially given the recent changes to US taxes. To note, an established shipping services/logistics provider can also be a good partner to help navigate these processes, including customs procedures and tariffs

### Route to Market – Services

- If you offer a service, you do not have to think about customs declarations, but very similar considerations about market entry will apply, particularly around how you provide the services, how you

are getting paid and where, and how you design your business (and tax) structure around it. We would always recommend speaking to an expert in the field to assist you in this process – such as, for example, [Forvis Mazars](#), a leading provider of audit and assurance, tax, advisory and consulting services worldwide.

- For both services and products, you will need to consider legal issues ranging from IP protection to drafting commercial contracts.

## Establishing Your Expansion Channel

### Market Entry – Distributors, Contractors, Clients

- If you are an exporter to the US, your market entry options range from going directly to the client/customer or working with a local distributor.
- Finding a distributor or a client in the first place can be challenging, particularly for smaller businesses. In our experience, taking part in trade missions or speaking to an expert who can advise on suitable distributors is a good way to achieving this. Specialised online and business directories can also be a good starting point for your search.
- Another option would be to hire a contractor to help establish business relationships and initial sales for your business, especially if you are trying to establish some sort of 'first presence' in the US.



- If your business is providing a service to a US customer, you could do this from the UK if the service is not being performed within the United States. If your service includes services delivered within the United States, however, you may have to register in the state the services are being delivered in. As usual, it is worth speaking to an expert first.

### Legal Presence in the US

- In many cases, you may decide to establish a legal presence in the US - whether because you plan to manufacture locally, need US-based storage or distribution, or intend to sell and deliver services directly to customers in the United States. Even if you continue exporting from the UK, having a local entity can be advantageous, as US buyers often prefer working with a domestic company and may require a US bank account, local billing capabilities, or state-level registrations. It is worth noting that your decision to invest in the US, whether it be a first office or a larger investment, will open up a whole range of support systems and incentives, whether it be through the US Embassy in London, or US state and other local economic development agencies.

### Delivering Services to the US Without a Legal Presence

If you are delivering services from the UK without a US presence, several important compliance and operational considerations apply.

### Data Protection & Privacy

- The US does not have a single federal privacy law equivalent to GDPR. Instead, compliance is governed by state-level privacy regimes and sector-specific regulations. UK service providers processing US consumer data may need to meet state-specific rights and disclosure obligations, depending on where their clients or end-users are located.

### Visa Requirements for Service Delivery

- Unlike the UK's Service Supplier route, the US offers no direct visa

purely for contract-based service delivery. UK professionals cannot perform work in the US without securing an appropriate visa. Options vary depending on whether your company has a US presence – read more in our “US Work Visas for UK Companies” section on pages 42-44.

### Tax Registration & Compliance

- UK service providers may incur US tax exposure even without a physical presence, depending on where customers are located, how services are delivered (in person vs remote), and whether your activities create a “nexus” under state tax rules. Most US states now enforce economic nexus thresholds, meaning you may be required to register for and collect state sales tax on certain services (especially digital or SaaS based offerings), even if operating entirely from the UK.

### Contracts

- US service contracts must comply with US legal and commercial norms, which can differ significantly from UK practice. As always, we recommend consulting a US-qualified legal advisor who understands both federal and state-specific requirements.



## Where to Expand

- The US is not one but essentially 50 markets. It matters where you sell, deliver your service, and where you conduct your business. In the same way the UK has a diverse range of clusters and business attributes to offer across its regions and nations, British businesses can be found all over the US, in every single state.

## Factors to Consider – Talent, Sales Channels, and More

- The decision on where to place your business will probably be based on, in the first instance, what product or service you offer, what you need for it (e.g. talent in a specific sector or industry), and what the target audience for the product or service is.
- For companies that export, the decision will also depend on the sales channels and distributors where you ship your product, as you can easily reach all of the US from almost anywhere quite easily.
- Generally, our experience shows that it is worth starting to sell a product or service in one US state (or a small number of states) instead of trying to go across the country, especially if your product and/or service is subject to specific state regulation and requirements.
- If you happen to have an anchor client or are focusing on a specific target group, it is worth having a location nearby. If you don't, look at where your product would be particularly in demand.
- Other considerations could be the availability of talent, logistical infrastructure, and dedicated support and incentive schemes from local trade and investment development agencies.



## US States

- In the US, a useful resource when deciding where to expand is the [Economic Development Directory of the State and Regional Economic Development Agencies \(EDAs\)](#). EDAs exist in every state and are responsible for attracting and supporting domestic and foreign investment.
  - Learn More: [www.eda.gov/economic-development-directory](http://www.eda.gov/economic-development-directory)
- They can provide practical support such as guidance on site selection, insight into local labour markets and regulations, and access to state and local incentive programmes, including grants, tax credits, and workforce training support.

## The Final Steps

- Once you have established appetite for your product or service and found a client or customer, assessed your export/expansion operational and financial readiness, established your expansion channel, scaled the business, and decided how and where to expand in the US, this is when your preparation work is followed by the actual expansion. Products need to be shipped and services delivered.
- In some cases, you will establish your presence and open a bank account.
- Often, you will look into bringing people from the UK to the US and hire locally; and those people may bring families along that you want to help care for.
- Whichever way you decide to go, the resources on the next page should be a good starting point for your journey.



Many EDAs have dedicated international investment teams and act as an initial point of contact for UK companies exploring a new US location. An example is JobsOhio, Ohio's private, nonprofit economic development organisation, which supports international businesses through tailored site selection assistance, workforce development programmes, and flexible grants and loans to support business expansion.

Learn More: [www.jobsohio.com](http://www.jobsohio.com)



## Your Support System

### International Trade Administration (ITA)

#### *Parent Agency*

- **What it is:** A bureau of the U.S. Department of Commerce that promotes trade and investment; ITA houses the U.S. Commercial Service and SelectUSA.
- **When to use:** For authoritative market intelligence, rules, and to navigate to the right Commerce program (USCS or SelectUSA).
- **Learn more:**
  - ITA Homepage: [www.trade.gov](http://www.trade.gov)
  - Trade Data & Analysis: [www.trade.gov/trade-data-analysis](http://www.trade.gov/trade-data-analysis)
  - About the ITA: [www.trade.gov/about-us](http://www.trade.gov/about-us)

### SelectUSA

#### *Promoting Inward Investment into the US*

- **What it is:** The official US investment-promotion program inside ITA that helps foreign companies (like UK firms) establish or expand in the US; connects you with states/cities, explains incentives, and convenes the annual Investment Summit.
- **When to use:** You plan to set up a US entity/facility/team and need neutral help with location comparisons, state introductions, and incentives.
- **Learn more:**
  - SelectUSA Homepage: [www.trade.gov/selectusa](http://www.trade.gov/selectusa)
  - About SelectUSA: [www.trade.gov/about-selectusa](http://www.trade.gov/about-selectusa)
  - SelectUSA Summit: [www.selectusasummit.us](http://www.selectusasummit.us)



### U.S. Commercial Service (USCS)

#### *Export Support & Partner Matchmaking*

- **What it is:** ITA's trade-promotion arm. Provides market intel, trade counselling, buyer/partner matchmaking, and advocacy via US embassies/consulates (including London).
- **When to use:** You want to win US customers/partners without (yet) opening a US office; you need curated introductions or sector briefings.
- **Learn more:**
  - USCS United Kingdom: [www.trade.gov/united-kingdom](http://www.trade.gov/united-kingdom)
  - Contact USCS UK: [www.trade.gov/united-kingdom-contact-us](http://www.trade.gov/united-kingdom-contact-us)

## State & Regional Economic Development Organizations (EDOs)

### On-the-ground Landing Support

- **What they are:** Each US state (and many cities/regions) has an EDO offering site selection, incentives navigation, workforce programs, and sector data. (SelectUSA will introduce you to the right ones.)
- **When to use:** You've shortlisted locations and need detailed, local execution (property, incentives, talent pipelines).
- **Examples:**
  - California: [business.ca.gov](https://business.ca.gov)
  - Texas: [gov.texas.gov/business](https://gov.texas.gov/business)
  - New York: [esd.ny.gov](https://esd.ny.gov)
  - Ohio: [www.jobsohio.com](https://www.jobsohio.com) (see pages 30-31)



## U.S. Small Business Administration (SBA)

### SME Setup & Mentoring (for Your US Subsidiary)

- **What it is:** The only cabinet-level agency dedicated to small businesses; provides startup guidance, counselling (via SBDCs), and help navigating US small-business programs.
- **When to use:** You're forming a small US entity and want practical planning/mentoring (business plan, financing readiness, compliance).
- **Links:**
  - SBA Homepage: [www.sba.gov](https://www.sba.gov)
  - SBA Local Assistance: [www.sba.gov/local-assistance](https://www.sba.gov/local-assistance)
  - Small Business Development Centers: [www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc](https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc)

## UK Department for Business and Trade (DBT)

- DBT offers a range of support to help UK companies expand, invest and export to the United States, including its dedicated *Exporting to the USA* market guide which provides detailed information on US regulations, customs procedures and market conditions.
  - [www.business.gov.uk/export-from-uk/markets/united-states](https://www.business.gov.uk/export-from-uk/markets/united-states)
- DBT also provides broader export tools and tailored guidance through its Export Support Topics hub.
  - [www.business.gov.uk/export-from-uk](https://www.business.gov.uk/export-from-uk)
- For personalised assistance, companies can use the government's Export Support Service, submitting specific questions about exporting goods or services to the US via the online enquiry portal on GOV.UK.
  - [www.gov.uk/get-help-export-query](https://www.gov.uk/get-help-export-query)

## BritishAmerican Business & BritishAmerican Business Network

- Please take a look at pages 52-53 to understand how BAB and the BABN can help you with your expansion.



*Scaling the Entrepreneurial Journey Panel Discussion  
16 April, 2026*



*Behind the Scenes with Leading Lobbyist, Suri Kasirer  
12 May, 2026*

## BAB Accelerate

BAB Accelerate is a targeted business networking community offering insights and connections for middle market companies, growth businesses and start-ups looking to establish a transatlantic footprint. Launched in 2018, the series has featured leaders from inspiring transatlantic businesses such as Broadridge Financial Solutions, Convene Hospitality Group, Laithwaites Wine, AutogenAI, CanO Water, BritBox, BetHog, Kasirer, among others.

With events held regularly in the US, UK, and virtually, BAB Accelerate sessions feature

inspirational guest speakers from our network such as CEOs, Founders, Entrepreneurs and Funders offering practical and personal insights to the entrepreneurial audience in attendance. Attendees can expect a comfortable, collaborative, and casual networking environment as they learn how to thrive in the vibrant transatlantic business community and beyond. BAB Accelerate programs are open to members and their guests.

If you are looking to take your business across the pond, and would like to hear the insights and experiences of those who have come

before you, please get in touch with the team to see about attending one of our in-person or virtual Accelerate sessions.



[www.babinc.org/bab-accelerate](http://www.babinc.org/bab-accelerate)

# WORKING ACROSS THE US AT STATE-LEVEL: GOING FOR GROWTH

*A special feature from the UK Department for Business and Trade*





US States spend billions of dollars annually in economic development programmes and foreign investment. HMG is continuing to deepen its ties at State Level using a range of tools and levers to help British businesses access opportunities across the US – from the Pacific coast to the Atlantic Ocean, from the Mid-West to the Deep South.

#### **State Government Procurement: An Untapped trillion-dollar Market**

One example of the size and scale of such opportunity is state government procurement. State governments spend an estimated \$1.5 trillion per year on procurement of goods and services, including \$80-150 billion on IT, and UK vendors are currently underrepresented in this market. DBT took a delegation of UK tech companies to the National Association of State Procurement Officials (NASPO) Exchange conference in March 2026, where they networked with state procurement officers, resellers, and distributors from across the US.

For more details on our procurement work please contact: [USStateTradeInvestment@businessandtrade.gov.uk](mailto:USStateTradeInvestment@businessandtrade.gov.uk).



[USStateTradeInvestment@businessandtrade.gov.uk](mailto:USStateTradeInvestment@businessandtrade.gov.uk)

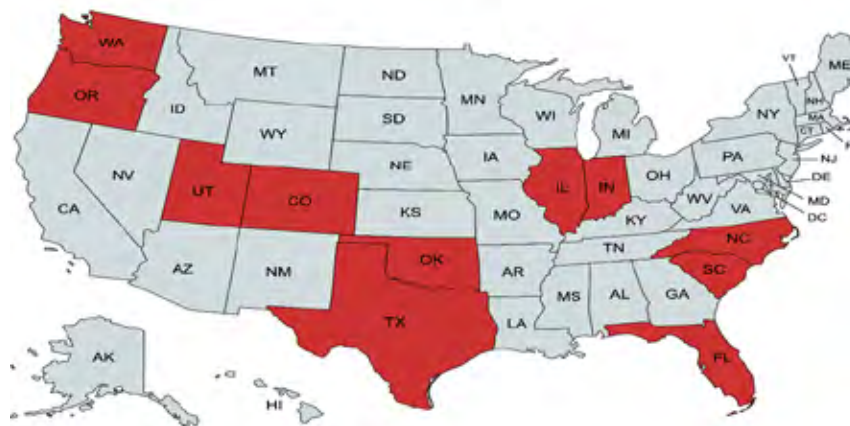
## Increasing Professional Mobility

We continue to engage with regulators and other partners in the UK and the US, including state licensure boards, to enable professional mobility between the UK and the US through recognition of professional qualifications – and we are making progress:

- **14 states** are now participating in the mutual recognition agreement (MRA) for **engineers** between the US's National Council of Examiners for Engineering and Surveying and the UK's Engineering Council, and another 14 have committed to adopt it – meaning UK Chartered Engineers can obtain reciprocal licensure in participating states, and US-licensed professional engineers in participating states can obtain the Chartered Engineer credential in the UK.
- **42 jurisdictions** (US states and territories) are participating in the MRA for **architects** between the US's National Council of Architectural Registration Boards and the UK's Architects Registration Board - meaning UK registered architects can obtain reciprocal licensure in participating states, and US-licensed architects in participating states can register as architects in the UK.
- DBT has supported the Law Society of England and Wales (LSEW) to meet counterparts in Florida, Texas, and California to explore ways to make it easier for US clients to access **legal services** expertise on English commercial law – enabling international transactions and investment.

## Strengthening UK Relationships with US State-Level Governments

The UK works with US State governments to open access and opportunity for businesses in both directions. In 2025, the UK added Oregon, Illinois and Colorado to the original eight Memoranda of Understanding (“MoU”) signed with states (Indiana, North Carolina, South Carolina, Oklahoma, Utah, Washington State, Florida, and Texas). That means there are now formal partnerships with eleven fast growing and dynamic states through a series of bespoke arrangements focussed on sectors of the future. See map:



### What Can HMG-State Engagement Do for Business?

HMG's partnership with States can provide access to key decision makers, business leaders, and sector specialists on both sides of the Atlantic. States are increasingly interested in areas where the UK has a comparative advantage and world-class companies, including the Industrial Strategy sectors and, increasingly, technology enabled services.

For business, working with us through the MoUs can help:

- Address practical issues such as barriers to exports and investment caused by State - level regulation or processes.
- Engage with state governments to help you export or invest – e.g. to set up a commercial presence.
- Identify relevant inward and outward delegations or other trade and investment promotion events.

DBT hold regular Working Groups with States under the MoU programme. Recent examples include discussions on space and fintech with Florida, government procurement with South Carolina, and cooperation in quantum technology with Colorado.

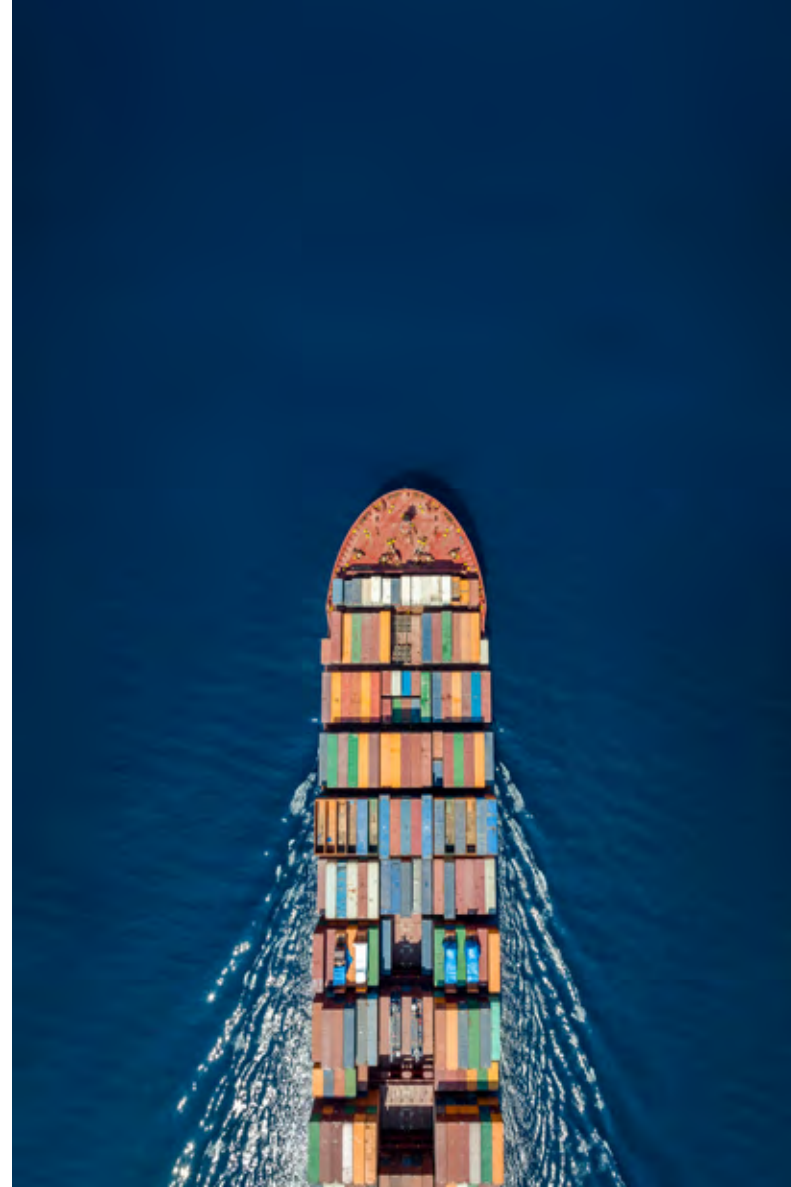
The UK government regularly consults businesses and their representatives – like BritishAmerican Business – to ensure that these Working Groups reflect the needs of UK companies. We encourage businesses, large or small, to join our regular business roundtables and briefing sessions.

For more details on our work with US States please contact:

[USStateTradeInvestment@businessandtrade.gov.uk](mailto:USStateTradeInvestment@businessandtrade.gov.uk)



[www.business.gov.uk](http://www.business.gov.uk)



# Build bigger. Test sooner. Deliver faster.

The power of Ohio lies in its unique ability to combine cross-cutting industries into a trillion-dollar, hyper-growth ecosystem unlike anywhere else. From world-class talent to build-ready sites and space to innovate, Ohio has everything your business needs to research, build, test, and go to market. It's no wonder Ohio's ranked the #1 state in infrastructure, top 5 for doing business, and #2 for the lowest cost of doing business.



Learn more about the advantages  
of doing business in Ohio

[JOBSOHIO.COM/WHYOHIO](https://jobsOhio.com/whyOhio)



## Ohio: A Global Hub for Industry, Innovation, and Investment

As the United Kingdom advances its long-term economic vision through the 10-year Industrial Strategy, focused on innovation, advanced manufacturing, clean energy, life sciences, and digital technologies, Ohio is pursuing a parallel path. Through the next phase of its economic development strategy, the state is strengthening the industries that define the future global economy.

Leading this effort is JobsOhio, the state's private nonprofit economic development corporation. Working closely with state and regional partners, JobsOhio accelerates business growth and job creation across Ohio. Its five-year strategic plan focuses on strengthening the industries shaping the future of the global economy while ensuring companies have the talent and infrastructure they need to grow.

At the center of the strategy are five super sectors – Semiconductors & Microelectronics, Advanced Aerospace & Defense, Life Sciences, Artificial Intelligence, and Energy. Each represents a trillion-dollar global market where technology, supply chains, and talent converge. Together, they position Ohio as one of North America's top locations for international companies seeking growth, innovation, and scale.



## Semiconductors & Microelectronics: Powering the Digital Economy

The semiconductor market is expected to reach \$1 trillion globally by 2030, and Ohio is becoming a cornerstone of the U.S. semiconductor supply chain. More than 150 semiconductor and related device companies operate across the state, supported by over 11,000 annual graduates from semiconductor-related degree programs.

A major catalyst is Intel's multibillion-dollar investment to build a leading-edge 14A logic fabrication facility in central Ohio. Complementing that investment, the Midwest Microelectronics Consortium has launched multiple advanced research projects, reinforcing Ohio's role in next-generation chip development.

## Advanced Aerospace & Defense: A Global Innovation Hub

Ohio's aerospace and defense ecosystem is among the largest in the United States, generating more than \$3 trillion in global economic impact. The sector supports roughly 550,000 jobs statewide and includes over 600 aerospace facilities and more than 400 defense and federal contractors.

The presence of the Wright-Patterson Air Force Base and NASA Glenn Research Center anchors one of the world's most advanced research and testing environments. Combined with Ohio's status as the nation's top supplier to Airbus and Boeing, the state offers companies a full pipeline, from research and testing to large-scale manufacturing.

## Life Sciences: Accelerating Biomanufacturing and Innovation

Ohio's life sciences sector spans medical devices, pharmaceuticals, and digital health, with strengths in diagnostic imaging, neurotechnology, and complex medical devices. Over the past decade, major expansions by companies such as Abbott and Amgen have helped add tens of thousands of healthcare jobs.

At the center of the state's innovation ecosystem is the Ohio Discovery Corridor, linking universities, research institutions, and companies through three Innovation Districts. A new biomanufacturing training center in central Ohio will further strengthen the workforce pipeline for pharmaceutical and biotechnology manufacturing.

## Artificial Intelligence: From Research to Real-World Deployment

Artificial intelligence is expected to drive a \$15 trillion global transformation by 2030. Ohio's strategy focuses on practical deployment, embedding AI into manufacturing, healthcare, logistics, and mobility systems.

The Cleveland Clinic in northeast Ohio and other Ohio-based companies, including Honda and GE Aerospace, are already integrating AI into diagnostics, products, and operations. Supported by more than 600,000 STEM professionals and emerging talent, Ohio is rapidly building an AI-ready workforce capable of deploying technologies at scale.

## Energy: Powering the Next Industrial Wave

Reliable, affordable energy underpins every Super Sector. Ohio's energy strategy, spanning natural gas, nuclear power, and emerging energy infrastructure, ensures companies can access the power required for energy-intensive operations.

The state is also strengthening its nuclear ecosystem, with investments led by Centrus Energy and partnerships with innovators like Oklo to expand fuel production and develop next-generation nuclear technologies.

## The Heart of Global Opportunity

Ohio's economic momentum is clear: more than 3,000 projects secured since 2019, nearly \$100 billion in investment, and strong growth across diverse industries. Yet the state's ambition goes further.

By aligning its Super Sector strategy with global industrial priorities, including those championed by the United Kingdom, Ohio is creating a dynamic environment where international companies can innovate, collaborate, and scale.

For businesses seeking a strategic location in North America, Ohio offers the essential ingredients for long-term success: skilled workers, robust infrastructure, and a powerful cross-sector ecosystem. To learn more about the advantages of doing business in Ohio, contact JobsOhio Director of European Business Development Alina Harastasanu at [harastasanu@jobsOhio.com](mailto:harastasanu@jobsOhio.com).



Learn more about the advantages of doing business in Ohio

[JOBSOHIO.COM/WHYOHIO](https://jobsOhio.com/whyOhio)





# SPOTLIGHT: PRACTICAL ADVICE

# Setting Up Your Business: Key Legal and Regulatory Considerations

Establishing a presence in the United States is a major step for UK companies, as it opens access to the world's largest economy, diverse regional markets, and a dynamic innovation landscape. While the US business environment is highly welcoming to international investors, there are some important structural differences UK companies should understand early on. These include how business structures work, how federal and state rules interact, and how to navigate contracts, IP, and data protection in a decentralised legal system.

This section details the core considerations to keep in mind as you begin planning your US expansion.

## Choosing the Right State and Legal Structure

Unlike the UK's centralised system, the US requires companies to choose both a state for incorporation and a business structure. The best combination depends on your industry, customer base, tax footprint, and plans for growth.

Key considerations include:

- State selection: regulations, taxes, incentives, and labour laws vary widely across states. Many UK companies choose locations based on where their customers or sector clusters are (for example, tech in California, fintech in New York, life sciences in Massachusetts, logistics in Georgia, or advanced manufacturing and automotive in states such as Ohio), while others prioritise business-friendly environments such as Texas or Florida.
- Business structures:
  - LLC: commonly used for flexibility and simple governance.



- C-Corporation: preferred for companies planning to raise external investment.
- Branch office: possible, but less common due to liability and tax considerations.
- Joint ventures or acquisitions: useful for accessing established local networks.

More information on tax implications for each entity can be found in the tax chapter on pages 38-40.

### Registering Your US Entity

Registration happens at the state level, and requirements are straightforward:

- File incorporation/formation documents with the Secretary of State.
- Appoint a registered agent for official notices.
- Obtain an Employer Identification Number (EIN) from the IRS.
- Comply with any industry-specific permits or licences (e.g., food, transportation, financial services, healthcare).

Once registered, you can open a US bank account, hire staff, contract with customers, and apply for incentives.

### Commercial Contracts and Negotiation Norms

US commercial contracting is highly flexible and largely governed by state law, not federal rules. UK companies often find US contracts:

- More detailed, with extensive warranties, indemnities, and limitation-of-liability language.
- More negotiable, since US market practice places strong emphasis on freedom of contract.
- Shaped by state law, with New York and Delaware being the most common governing jurisdictions for business agreements.

Putting contracts in US-appropriate form early helps avoid friction with suppliers, distributors, and partners.

### Protecting Intellectual Property

The US is a critical IP jurisdiction, and filings there do not automatically flow from UK or EU registrations. Companies should plan to:

- Register trademarks with the US Patent and Trademark Office (USPTO).
- File patents if they have innovative technology or processes.
- Protect copyrights automatically through creation, with optional registration for enforcement.

- Use strong NDAs and IP clauses in employee and contractor agreements.

Because the US uses a first-to-file system for trademarks and patents, early action is advisable.

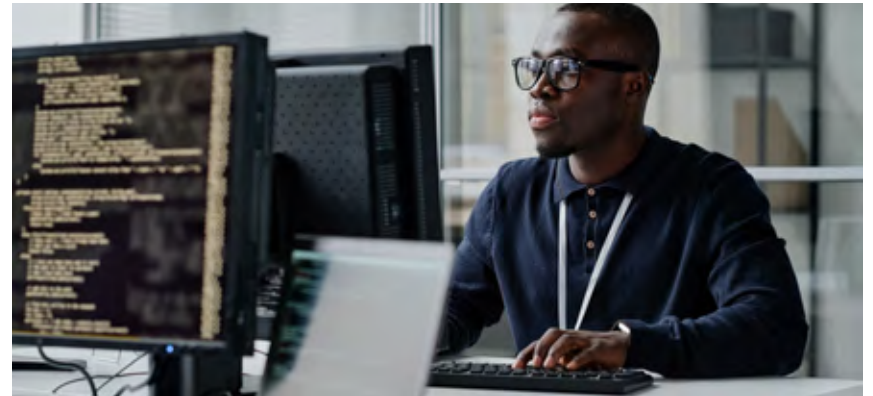
### Data Privacy and Cybersecurity Compliance

The US does not have a single equivalent to the UK GDPR. Instead, UK companies must navigate a patchwork of state laws and sector-specific rules, depending on where they do business.

This may include:

- State privacy laws (e.g., California, Virginia, Colorado), which regulate data rights, notices, and security measures.
- Sectoral frameworks, such as healthcare (HIPAA) or financial services (GLBA).
- Contractual data requirements from US customers or partners, which are often stricter than statutory minimums.

If your company handles consumer or employee data, building a privacy programme aligned to the states where you operate is essential.



# Operations, Banking, and Finance in the US: What UK Companies Need to Know

Establishing a foothold in the US involves navigating a set of operational and financial steps. From opening a bank account to accessing funding and understanding insurance requirements, the practicalities of doing business in the US need to be well understood to ensure your move to the US is as smooth as possible. This section outlines the key considerations UK companies should be aware of as they begin operations on the ground.



## Opening a US Bank Account

Unlike the UK's more centralised and harmonised banking practices, the US banking system is decentralised, highly regulated at both federal and state levels, and generally more risk-averse when dealing with foreign-owned entities. Some key considerations:

- In-person verification is common: many banks require a company representative to appear in person to open an account, though some institutions now offer remote onboarding for foreign companies.
- A US entity is typically required: opening a corporate account usually requires establishing a US business structure (often an LLC or C-Corp) and obtaining an Employer Identification Number (EIN) from the IRS.
- Establishing credit takes time: the US does not recognise UK credit history. New entities start with no credit record, affecting access to loans, leases, and corporate cards. Using fintech providers or secured credit products early can help build creditworthiness.



A practical tip would be to engage with a bank familiar with international clients, or consider fintech-based business accounts as an interim solution while traditional accounts are being set up.

## Insurance Requirements

Insurance plays a more prominent role in US commercial operations than in the UK and is often mandatory depending on state rules. Typical policies include: general liability insurance; workers' compensation (required in nearly all states once you hire employees); professional liability; and commercial auto insurance if applicable.

## Financing Your US Expansion

Financing options in the US are varied, and UK firms have several paths to explore.

### 1. Traditional Bank Financing

Local banks typically require:

- US credit history
- At least 2 years of financials for the US subsidiary
- Personal guarantees for early-stage businesses

### 2. Venture Capital and Private Investors

The US has a deep venture capital ecosystem, especially for technology, life sciences, and consumer brands. Investors are accustomed to working with foreign founders, but US incorporation is almost always required. Many UK firms choose to incorporate a Delaware C-Corp for this reason.

### 3. Government Incentives and Programmes

Both federal and state governments offer incentives to attract foreign investment. These may include:

- Tax credits
- Workforce training grants
- R&D incentives
- Reduced-cost facilities or infrastructure support

State Economic Development Agencies (EDAs) are often the best starting point for understanding available support.

### 4. Alternative Lenders and Fintech Providers

Revenue-based financing, asset-backed lending, and fintech credit products can be more accessible for new entrants that lack US credit history. These can provide useful early liquidity without the administrative burden of traditional bank loans.

## Government-Backed Funding & Support

### United States (available to foreign-owned US entities)

- **SelectUSA:** Central US Government service connecting investors to state incentives, regulators, and partners.
  - [www.trade.gov/selectusa](http://www.trade.gov/selectusa)
- **SelectUSA FDI Incentives Database:** Search state and local grants, tax credits, and workforce programmes tailored to incoming investors.
  - [www.selectusasummit.us/Programming/SelectUSA-FDI-Database](http://www.selectusasummit.us/Programming/SelectUSA-FDI-Database)
- **Federal sector programmes:** Grants, loans, and tax credits for US-based projects in specific industries.
- **United States Investment Accelerator (Dept. of Commerce, 2025-):** A “single-front-door” to help large projects navigate permitting and federal support.
  - <https://www.whitehouse.gov/presidential-actions/2025/03/establishing-the-united-states-investment-accelerator/>

### United Kingdom (to support your US entry)

- **UK Export Finance (UKEF):** Loan guarantees, insurance, and working-capital support; fast-track access via the General Export Facility (now up to £10m; longer tenors up to 5 years).
  - [www.ukexportfinance.gov.uk](http://www.ukexportfinance.gov.uk)
- **Innovate UK – Global Business Innovation Programmes:** Competitive cohorts with preparation, US market visits, and post-visit growth support for innovative firms.
  - [www.ukri.org/who-we-are/innovate-uk/supporting-global-innovation](http://www.ukri.org/who-we-are/innovate-uk/supporting-global-innovation)

# Business Taxation in the US: What UK Businesses Need to Know

Expanding into the US offers significant commercial opportunities, but also brings a uniquely complex tax environment. The US operates a multi layered tax system, federal, state, and often local, each with its own rules, filing requirements, and enforcement approach. This decentralised structure can create unexpected obligations for new entrants, particularly those operating across multiple states or selling digitally into the US.

Understanding this system early on is essential. From entity selection to transfer pricing, employment taxes, state, local and sales tax, the decisions a business makes at the onset will shape its long term tax profile. As always, BritishAmerican Business recommends that UK companies entering the US seek tax advice from specialists in the market, like our partner and sponsor [Forvis Mazars](#), a global professional services network operating in over 100 countries, to navigate these complexities and ensure compliance from day one.

Below are the core elements UK businesses should be aware of.

## Choosing the Right Entity Structure

The US offers multiple business entity types with distinct tax consequences. The most common forms are:

- **C Corporation (C Corp) (the equivalent of a UK Limited Company):** A separate taxable entity. Subject to federal income tax and, where applicable, state corporate taxes. Profits distributed as dividends may be taxed again at the shareholder level (“double taxation”).
- **Limited Liability Company (LLC):** Offers legal protection with flexible tax treatment. By default, an LLC is treated as a pass through entity (profits taxed to the owners directly), but it can elect to be taxed as a corporation.



- **Branch (UK company operating directly in the US):** Taxed on effectively connected income. Branch profits tax rules may apply.

Entity choice influences not only tax outcomes but also regulatory treatment, investor expectations, immigration sponsorship, and the ability to bring in US based partners.



### Federal Corporate Income Tax

At the federal level, corporations are subject to income tax on their worldwide income to the extent it is attributable to the US. Key features include:

- A flat federal corporate income tax rate (currently 21%).
- Deductions and credits determined under US tax law (different from the UK approach).
- The need to track “effectively connected income” (ECI) for non-US entities with US activities.
- Specific rules for cross border payments, including potential withholding taxes on interest, royalties, or certain services.

### State and Local Taxation: Nexus Matters

Perhaps the biggest adjustment for UK businesses is the role of state and local taxes (SALT).

Each US state may impose: corporate income tax; franchise taxes; gross receipts taxes; local business taxes; and sales and use taxes (separate section below).

Taxability is triggered by “nexus”, meaning a sufficient business connection with that state. Nexus can arise from:

- Having employees in the state
- Holding inventory in the state (even with third party logistics providers)
- Providing services physically in the state
- Having a US office
- Significant sales into the state (economic nexus)

Each state defines nexus differently, and multi state apportionment rules determine how profits are divided among states. This is an area where US tax advisers add exceptional value, given the complexity and inconsistency of state rules.

### Sales and Use Tax (the US Alternative to VAT)

One of the most significant structural differences is that the US does not impose VAT. Instead, most states impose sales and use taxes, which are state- and locally administered taxes applied to the sale, use, or consumption of certain goods and services in the US. Sales tax is collected by businesses at the point of sale on taxable transactions, while use tax applies when a business purchases taxable items without paying sales tax and brings them into a state for use.

### Employment Taxes and Workforce Compliance

When hiring in the US, employers must also comply with a combination of federal and state employment taxes, such as:

- Federal employer tax withholdings, including:
  - Social Security and Medicare (“FICA”) contributions
  - Federal unemployment tax (FUTA)
- State income tax withholding (where applicable)
- State unemployment insurance contributions

See more in the Benefits, Payroll, and Compliance section on pages 46-48.

### Transfer Pricing and Cross-Border Transactions

Transactions between a UK parent and its US entity must follow arm's length pricing. The US transfer pricing framework is robust, and documentation requirements can be extensive. UK businesses should ensure that formal transfer pricing policies are in place; intercompany financing, royalties, and management fees are appropriately priced; documentation supports the economic rationale of cross border flows; and both UK and US requirements are met to prevent disputes or double taxation.

### Accounting Standards and Reporting Requirements

The US operates under US GAAP, not IFRS. Differences may affect revenue recognition, leases, and other accounting treatments. UK businesses may also encounter requirements such as:

- US GAAP-compliant financial statements
- Audit requirements for investors, lenders, or customers
- SOC 1 or SOC 2 reports if providing services to US clients

Accounting treatment decisions can have knock on tax effects, so coordination between finance and tax advisers is important.



[www.forvismazars.com/uk](http://www.forvismazars.com/uk)



# Global to see the big picture, local to understand it

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We build solutions with you and for you, **helping you prepare for what's next.**

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# Getting Your Employees Across the Atlantic: US Work Visas for UK Companies

When expanding into the US, employees can use an ESTA (Visa Waiver Program) for short-term business activities in the United States, such as attending meetings, negotiating contracts, or attending conferences, for up to 90 days. However, travelling under the ESTA program does not allow for any hands-on work, rendering services to US clients, or earning a local US salary. To apply for an ESTA, visit [esta.cbp.dhs.gov](https://esta.cbp.dhs.gov).

If you need to deliver services to a US client or are being paid in the US, there are a handful of visa categories you can consider. Below we aim to explain each visa, who it applies to, and when to choose it, so you can quickly match the right route to each employee. As usual, BAB recommends reaching out to an immigration specialist to navigate the technicalities of visas.



## L-1 Intracompany Transfer Visa

*For transferring existing UK employees to your US entity*

The L-1 is used when you want to send people who already work for your UK company to your US business.

### Who qualifies?

- Employees who have worked for your non-US company for at least 1 continuous year within the last 3 years.
- There must be a qualifying corporate relationship: parent, subsidiary, affiliate, or branch.

### Two versions

- **L-1A (Managers & Executives):** senior leaders sent to run or build the US operation. Allows for a maximum stay 7 years.
- **L-1B (Specialised Knowledge):** employees with deep knowledge of your products, systems, or processes. Allows for a maximum stay 5 years.

### When to use it

- Sending launch teams, senior managers, or specialists essential to establishing or scaling the US office.
- Avoiding the H-1B annual cap/lottery.
- For frequent transfers, large companies can use an L-1 Blanket to accelerate approvals.

## H-1B Speciality Occupation Visa

*For hiring or keeping professionals in roles that normally require a specific university degree*

The H-1B is the default visa for specialist roles in the US labour market. It is commonly used for engineers, developers, analysts, finance professionals, and scientists.

### Who qualifies?

- The job must ordinarily require a bachelor's degree or higher in a specific field.
- The candidate must have the matching degree or equivalent experience.

### Key features (2026 rules)

- **Annual cap:** you must register during the H-1B window.
  - Search 'H-1B Electronic Registration Process' on [www.uscis.gov](http://www.uscis.gov) to learn more.
- **Wage-weighted selection:** higher wages (based on US Department of Labor wage levels) receive more entries in the lottery.
- **2025–26 Proclamation:** new H-1B petitions filed on or after 21 September 2025 for workers outside the US may require an additional \$100,000 payment; existing H-1B holders are not affected.

### When to use it

- Recruiting new US-based specialists.
- As a next step when sponsoring a graduate already in the US on F-1 OPT/STEM-OPT.
- Where the role clearly requires a specific degree and you can plan around the March registration cycle.



## O-1 Extraordinary Ability Visa

*For exceptional individuals at the top of their field*

The O-1 is designed for high-achievers with national or international recognition.

### Who qualifies?

- Individuals in science, business, education, the arts, athletics, film/TV with evidence of exceptional achievement (awards, publications, media, leadership roles, etc.).
- No cap and no lottery; petitions can be filed year-round.

### When to use it

- For standout talent you cannot afford to lose to the H-1B lottery.
- For founders, inventors, researchers, or industry leaders whose achievements can be clearly documented.



## E-2 Treaty Investor & E-2 Employee Visas

*For UK nationals investing in and running a US business (and for key staff)*

The E-2 is available because the UK has a treaty of commerce with the US.

### Who qualifies?

- E-2 Investor: UK citizen who has made, or is making, a substantial investment in a real, active US business and will direct and develop it, usually starting from \$100,000+, and proportional to the business type.
- E-2 Employees: senior managers or essential-skills employees of the E-2 company.
- Visa validity and reciprocity fees depend on State Department schedules.

### When to use it

- For founders or UK owners establishing a US subsidiary or branch.
- For employees who will help operate or expand the E-2 business.

## How the US Work Visa Process Works (In Short)

Although each visa has its own rules, most follow the same overall steps:

1. **Choose the visa category:** based on the employee's role, background, and whether they already work for you outside the US.
2. **Employer (you) files with USCIS (where required):** for H-1B, you must register in March, then file a petition if selected; for L-1, O-1, or some limited E-2 cases, you file directly with USCIS first.
3. **Consular visa application (if outside the US):** after USCIS approval, the employee applies for a visa at a US Embassy/Consulate.
4. **Enter the US and begin work:** on arrival, work may begin immediately if the visa category allows it.
5. **Complete employment verification (I-9):** US employers must verify work eligibility. Companies enrolled in E-Verify may use the permanent remote I-9 procedure (document copies + live video).

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A person is shown sleeping peacefully in a Club Suite airplane cabin. The person is wearing a white headrest cover and is tucked under a white blanket. The cabin is dimly lit with a soft blue glow, creating a serene and comfortable atmosphere. The person's face is partially visible, showing a relaxed expression.

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# Building a US Workforce: Navigating Benefits, Payroll, and Compliance for UK Companies

For UK companies expanding into the United States, hiring the first employee is often the moment the complexity of the US market becomes real. Unlike the UK, where many employment systems are standardized, the US operates through a patchwork of federal, state, and sometimes local regulations. Health insurance is also typically tied to employment. That alone changes the dynamic significantly. Entering the US is not simply a

sales or growth strategy. It is an operational and compliance challenge that requires careful planning from the outset.

To successfully build a US workforce, UK employers must plan for three core areas from day one: health insurance and employee benefits, payroll and tax administration, and HR compliance.

## The Three Pillars: Benefits, Payroll, and Compliance

- **Health insurance** is often the biggest surprise. In the US, employer-sponsored medical coverage is the primary way employees and their families access healthcare. Candidates will evaluate health plans carefully, and the quality of the offering can materially impact your ability to recruit and retain top talent. Dental, vision, disability, and retirement benefits are also common expectations, depending on industry and location.
- **Payroll** is not simply a matter of paying employees. In the US payroll requires correct withholding, reporting, and tax filings at multiple levels — federal, state, and sometimes local. Each state has its own rules regarding unemployment insurance, wage laws, and payroll tax requirements. For a UK company hiring across multiple states, this can become complicated very quickly.
- **HR compliance** is the third pillar and often the most underestimated. US employment regulations cover everything from employee classification and onboarding documentation to workers' compensation, harassment training, state-mandated disability coverage, and leave requirements. The compliance burden increases as headcount grows and as employees are hired in additional states.



## Two Common Solutions: EOR and PEO

For many UK companies, the fastest and most practical path into the US is to choose an employment model that outsources much of the early complexity. Two of the most common solutions are an Employer of Record (EOR) and a Professional Employer Organization (PEO).

- **An Employer of Record (EOR)** is often the simplest model for a company that wants to hire quickly without setting up a US entity. Under an EOR arrangement, the EOR becomes the legal employer of the worker in the US, while the UK company directs the employees' day-to-day work. The EOR typically manages payroll, tax withholding, and many HR compliance requirements.
  - EORs can be particularly attractive for companies hiring their first US employee, testing the market, or building a small footprint. They allow speed and simplicity, which is often essential in the earliest stage of market entry.
- **A Professional Employer Organization (PEO)** is generally the next step for companies that have formed a US entity and are ready to hire multiple employees. A PEO operates through a co-employment model, where the company retains control over business operations while the PEO supports payroll, HR administration, and compliance infrastructure. Importantly, PEOs often provide access to stronger benefits options than a small standalone employer may be able to secure on its own.

For companies scaling in the US, a PEO can reduce administrative burden, support multi-state hiring, and provide a structured HR platform that would otherwise take significant time and expertise to build internally.

### Choosing the Right Model at the Right Time

While both EOR and PEO models can be highly effective, the best choice depends on your company's stage, goals, and hiring plan.

EOR is typically best suited for:

- early-stage entry into the US
- one to a handful of employees
- no US entity in place
- maximum speed with minimal internal infrastructure

PEO is often best suited for:

- a US entity established
- a growing headcount
- hiring in multiple states
- a need for scalable benefits and HR administration

The key is recognising that neither model is inherently "better." The best approach is the one aligned with your expansion timeline and operational readiness.

### Outgrowing the PEO: The “Traditional” Model

As a company becomes more established in the US, it may eventually outgrow even the PEO model. This can occur for several reasons: headcount growth, the desire for customised benefits design, internal HR capability expansion, or a preference to bring payroll and compliance functions in-house.

At that stage, many organisations transition into the traditional employer model, where they manage their own payroll vendor relationship, secure benefits directly through the commercial insurance marketplace, and build internal HR and compliance processes. This model offers flexibility and control, but it requires the right expertise and infrastructure to manage effectively.

### The Importance of an Experienced Advisor

Across all phases — from first hire to full-scale US operations — the most successful UK companies share one thing in common: they work with an experienced advisor who understands the full landscape.

Benefits, payroll, and HR compliance are deeply interconnected in the US. Decisions made early can impact cost, employee experience, and compliance risk later. Having a broker and consultant who is versed across all areas helps companies evaluate EOR and PEO solutions, implement competitive benefits programs, and plan for the eventual transition to a traditional model as the organization grows.

For UK companies expanding into the US, the right partner can be the difference between a smooth market entry and a costly operational misstep.



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As a company entering the US market there are many factors that need to be considered to ensure your staff is properly supported. At The Medical Link we help companies set up employee benefits, payroll, and outsource human resources leaving them to focus on growth in the US.

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## Here to Help

### BritishAmerican Business

BritishAmerican Business is the leading transatlantic trade organisation, representing over 500 member companies from the UK, US and elsewhere, all of whom are active and do business in and between the US and the UK. BAB incorporates and represents the American Chamber of Commerce in the UK and the BritishAmerican Chamber of Commerce in the US. BAB has offices in London, New York, and Washington D.C.

As part of our offering, we convene our members for professional and personal networking, we advocate for pro-business policies and regulations, and we help companies achieve and celebrate their expansion across the Atlantic.

Whether you want to be part of the most important transatlantic business network, be connected to peers, government representatives, clients, service



*BAB Transatlantic Trade & Investment Policy Conference,  
2 February, 2026*

providers or colleagues in different parts of the US; whether you want your company's influence on policy matters, to actively participate in our countless platforms and events, have an organisation champion your success, or learn about the latest updates and opportunities in the transatlantic space – this is what BritishAmerican Business can offer.

Members of BritishAmerican Business enjoy a whole range of benefits, from networking opportunities, business insights, policy engagements, and trade and investment promotion platforms, as well as access to a team excited about your growth story, and well connected with relevant stakeholders who can help you with your company's journey.

Key activities in our trade promotion portfolio include BAB's popular '[Accelerate](#)' series, a targeted business networking community for small and middle market companies looking to establish a transatlantic footprint; hosting trade delegations both sides of the Atlantic; and the [Transatlantic Growth \(TAG\) Tracker](#), which tracks and champions investments made by American and British firms across the Atlantic.

Get in touch with our team to learn more about how we can help and sign up for our monthly trade and investment updates [www.babinc.org/mailling-list](http://www.babinc.org/mailling-list).



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### The BritishAmerican Business Network

The BritishAmerican Business Network (BABN) is a network of individual chapters in major business centres throughout North America and the United Kingdom. While chapters in the UK can serve as a good local network for companies keen to start their expansion journey, US-based chapters can serve as a useful local network for companies who have just landed. Chapters are local hubs for connections, trade and policy engagements, as well as valuable networking platforms with key stakeholders. Page 54 lists all the Chapters and relevant contacts.

BABN Chapters are deeply rooted in relevant stakeholder communities with relationships to US and UK Governments, Economic Development

Organisations (EDOs), local Chambers of Commerce, Universities and more. Membership of local BABN Chapters includes benefits such as access to local and relevant transatlantic communities, business insights and marketing platforms, events, celebrations and networking, as well as policy and trade insights.

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## BritishAmerican Business Network Chapters

### Chapters in the United Kingdom

#### The Greater Birmingham Transatlantic Chamber of Commerce

Phone: 07951 064255

Email: j.hume@birmingham-chamber.com

#### BAB London

Phone: 020 7290 9888

Email: amount@babinc.org

#### The Scottish North American Business Council

Phone: 07982 250682

Email: allan@snabc.org

### Chapters in the United States

#### BABA Washington DC

Phone: (202) 293-0010

Email: LPetersen@babawashington.org

#### BABC Carolinas

Phone: (704) 968-3166

Email: speeler@babccarolinas.com

#### BABC Central Florida

Email: info@babccf.com

#### BABC Chicago

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Email: babcchicagoexecutivedirector@gmail.com

#### BABC Georgia (Atlanta)

Phone: (404) 681-2224

Email: jennifer.langley@babcgga.org

#### BABC Los Angeles

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#### BABC Miami

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#### BABC Michigan

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#### BABC Philadelphia

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#### BABC San Diego

Email: fran@meetingsglobal.com

#### BABC Texas

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Email: Sarah.Durbridge@babctexas.org

#### BAB New York

Phone: Tel: (212) 661 4060

Email: teker@babinc.org

## Transatlantic Council Members

BritishAmerican Business's Transatlantic Council membership puts member companies at the heart of key events and conversations, providing a platform for impactful engagement and fostering lasting connections.

We would like to thank our Transatlantic Council Members for their support:

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