UHY Advisors
Tax & Business Consultants

Checklist for International Expansion*

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I.	**Operational**	
	Choice of entity (e.g., 3rd party agent or distributor, wholly-owned subsidiary)	
	Requirement to have a local investor or agent participate	
	Physical location (lease or purchase)	
	Logistics -- products and suppliers	
	Personnel -- functions and duties	
	Outsourcing versus in-house services	
	Local business methods, expectations, potential for corruption/FCPA concerns	
II.	**Financial**	
	Banking arrangements (including accounts and signature authority)	
	Foreign exchange controls, limits on convertibility	
	Profit sharing, reinvestment requirements	
	Corporate social responsibility	
	Insurance	
	Capitalization (including debt, equity, or hybrid; internal or external)	
	Involuntary liquidation, dissolution	
	Pricing (US $, local currency)	
	Foreign currency risk	
	Investment incentives	
	Profit sharing, reinvestment requirements	
	Mandatory legal reserve	
	Letters of credit, guarantees, stand-by letters of credit	
	Ex-Im Bank guarantees, OPIC financing	
III.	**Legal**	
	Legal system (civil law, common law)	
	Applicable law (local, national and supernational)	
	Limitations on foreign ownership of companies, real property	
	Selection of foreign attorneys and advisors	
	Establishing a branch or subsidiary, including timetable	
	Types of legal entities (including companies, partnerships, etc.)	
	Corporate governance (including regulatory and industry norms)	
	Incorporation documents (statutory requirements, translations, registration)	

*This checklist is for information purposes only and is not intended as a substitute for advice from tax and other professionals, both in the U.S. and abroad.

	(Legal) - Continued	
	Incorporation (including translations, notarization, *apostille*)	
	Acquisition or greenfield investment	
	Management structure, including citizenship and residence requirements	
	Frequency and location of board meetings	
	Board of directors (including size, responsibility, non-executive directors, nationality, employee representation)	
	Duties and responsibilities of board and management	
	Liability (including non-contractual, board, management for civil and criminal liability)	
	Capital requirements (including registration, legal reserve)	
	Registration of branch or company (including publication requirements)	
	Signature authority	
	Permits, business licenses	
	Contracts with suppliers, transporters, agents, leases	
	Contractual requirements such as registration, language, limitations on liability, statutory notice, warranties, rights or duties not specifically referenced	
	Competition law and antitrust	
	U.S. Foreign Corrupt Practices Act	
	U.S. anti-boycott legislation (Arab League boycott of Israel)	
	Labor (including severance, indemnities, unions, participation in management or board)	
	Invoicing (statutory forms, value added tax, pre-printed and numbered, etc.)	
	Product registrations	
	Registration of patents, trademarks, copyrights, trade name	
	Protection of unregistered intellectual property	
	Immigration (visas, expatriates)	
IV.	**Labor**	
	Wage and hour rules	
	Employment contracts	
	Union agreements (including whether negotiated at company or industry level)	
	Hiring and firing requirements (including notice and indemnities)	
	Holidays	
	Bonuses (including mandatory or customary 13th month)	
	Employer responsibilities	
	Mandatory and fringe benefits (including profit sharing, meals, transportation, local or industry norms)	

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	(Labor) - Continued	
	Pensions	
	Leaves (including vacation, family, etc.)	
	Workers compensation, insurance	
	Market wage rates	
	Payroll reporting requirements	
	Expatriate packages (e.g., tax equalization)	
	Visa requirements, limits	
	Statutory duties and liabilities of managers	
	Outsourcing, use of temporary workers and subcontractors	
V.	**Trade and Customs**	
	Classification and valuation of goods	
	Customs duties	
	Import procedures (including documentation, broker, etc.)	
	Import and export licenses, restrictions, incentives	
	Non-tariff barriers (e.g., labeling requirements)	
	Timing for customs clearance and delivery	
	Customs agent or broker	
	Importer of Record	
	Registration and protection of intellectual property	
	Applicable bilateral and multilateral trade agreements	
	Applicable customs union	
	Bonded warehouse, foreign trade zone	
	Anti-dumping and countervailing duties	
	Trade pacts or treaties reducing duties or increasing quotas	
VI.	**Accounting**	
	Statutory requirements for bookkeeping and audit of financial statements	
	Year end	
	Appointment of auditor and scope of work	
	Generally accepted accounting principles (including differences from U.S. GAAP)	
	Ability to use IFRS (International Financial Reporting Standards)	
	Reserve requirements	
	Limitations on negative equity	
	U.S. considerations such as FAS 109 and APB 23	

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VII.	Tax	
	Structure of legal entities, branches, partnerships	
	Tax incentives	
	Tax identification number, registration requirements	
	Planning for accumulation and distribution of earnings, utilization of losses, etc.	
	If applicable to the foreign entity, whether to make a "check the box" election to treaty it as a flow-through entity for U.S. tax purposes	
	Applicable taxes and rates (income, capital gains, franchise, VAT, sales, social security, remittance, withholding, transaction, stamp, etc.)	
	Withholding taxes on payments to nonresidents	
	Limits on deductibility of payments to nonresidents (e.g., thin capitalization)	
	Treaties covering income taxes, social security taxes	
	U.S. considerations such as FAS 109 and APB 23	
	Tax year and timing of payments	
	Filing and record-keeping requirements	
	Transfer pricing for products, technology, services, financing	
	Whether annual transfer pricing study (economic study) is required	
	Anti-tax haven rules, restrictions on transactions with low-tax jurisdictions	
	Book-tax differences	
	Reporting requirements for Foreign Corrupt Practices Act, anti-boycott rules	
	Foreign tax credit utilization	
	Capitalization (including hybrid instruments, limitations on debt/equity ratio)	
	Registration and depreciation of capital assets	
	Requirements for deductibility of payments (e.g., central bank approval, debt/equity ratio)	
	Permanent establishment exposure	
	Planning for expatriate employees (including tax equalization)	

For additional information regarding UHY Advisors' Checklist for International Expansion, please feel free to contact:

Meril Markley
International Tax Principal
UHY Advisors
713-407-3206
mmarkley@uhy-us.com

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