

NEW YORK BUSINESS ADVISORY & CORPORATE SERVICES INC.

Your Partner For US Business Presence



ADVANTAGES OF INCORPORATING A US ENTITY

- Incorporating in the US would help (or at least incorporating an entity as a subsidiary of an Indian parent company) would help establish a permanent and significant operational base in the US which would make it easier to do business in the country and minimize a significant amount of legal risk.
- Certain class of US-based investors are reluctant to invest in a foreign entity that does not have legal ties to the US and if your overall goal is only not to reach US market with your product/services but also seek investment, then incorporating in US would be a good idea
- Employees – Employment laws vary greatly. You can eliminate a lot of uncertainty by having a US entity for your US-based employees
- Immigration – Some class of US visas require a US entity
- Revenues – It can be tax-efficient to operate as a US entity if your company is generating revenue in the states. It's also possible to allocate a portion of your business to a US entity through transfer pricing arrangements and tax sharing agreements and save taxes.
- Commercial contracts – Outside of laws and regulations, some US companies simply prefer to transact with other US companies ONLY. Some Government/SBA/GSA requirements are specific to take in only US entities in their programs
- **Bank Account – It is only possible to open a bank account in the US as a US entity. Referrals are needed, even after you've incorporated**
- Litigation risk – When operating in a space where US product liability, patent infringement, or other litigation claims are frequent, it may be worth establishing a US company
- Regulatory requirements – Heavily-regulated industries like healthcare may require certain types of US operations to be run through a US entity
- Crowdfunding – Many US crowdfunding platforms only serve US entities
- Accelerators – Often US accelerator programs only accept US companies into their cohorts
- US VC investors – US VC investors are more likely to invest early-stage capital into a foreign entity if they have a strong “US story” (think US operations, US traction, and/or a founder or other senior decision-maker in proximity to the investor)

If it looks like US incorporation is the right move (and it's the right time) for your startup, you then have to decide whether to operate as a US subsidiary or create a US parent company.

INDIA

Floor # 22, Brigade WTC Towers
Bengaluru, Karnataka 560055
+91 701-321-2250

UNITED KINGDOM

86-90 Paul Street
London, EC2A 4NE
+044 208-089-1015

UNITED STATES

66, 442 Lorimer Street
Brooklyn, NY 11206
+1 917-675-5278

www.nybacs.com