



# TRANSLATING UK BUSINESS SUCCESS TO THE US

End-to-end advice for your international growth

**CLA Global**

INDEPENDENT NETWORK MEMBER

**evelyn**  
PARTNERS



# Welcome

Evelyn Partners specialises in helping UK companies expand into the US. We are one of the founding members of CLA Global along with CliftonLarsonAllen LLP, the eighth largest accountancy firm in America. Being a part of this leading worldwide network of independent firms means that we are well-positioned to support you with your international requirements.

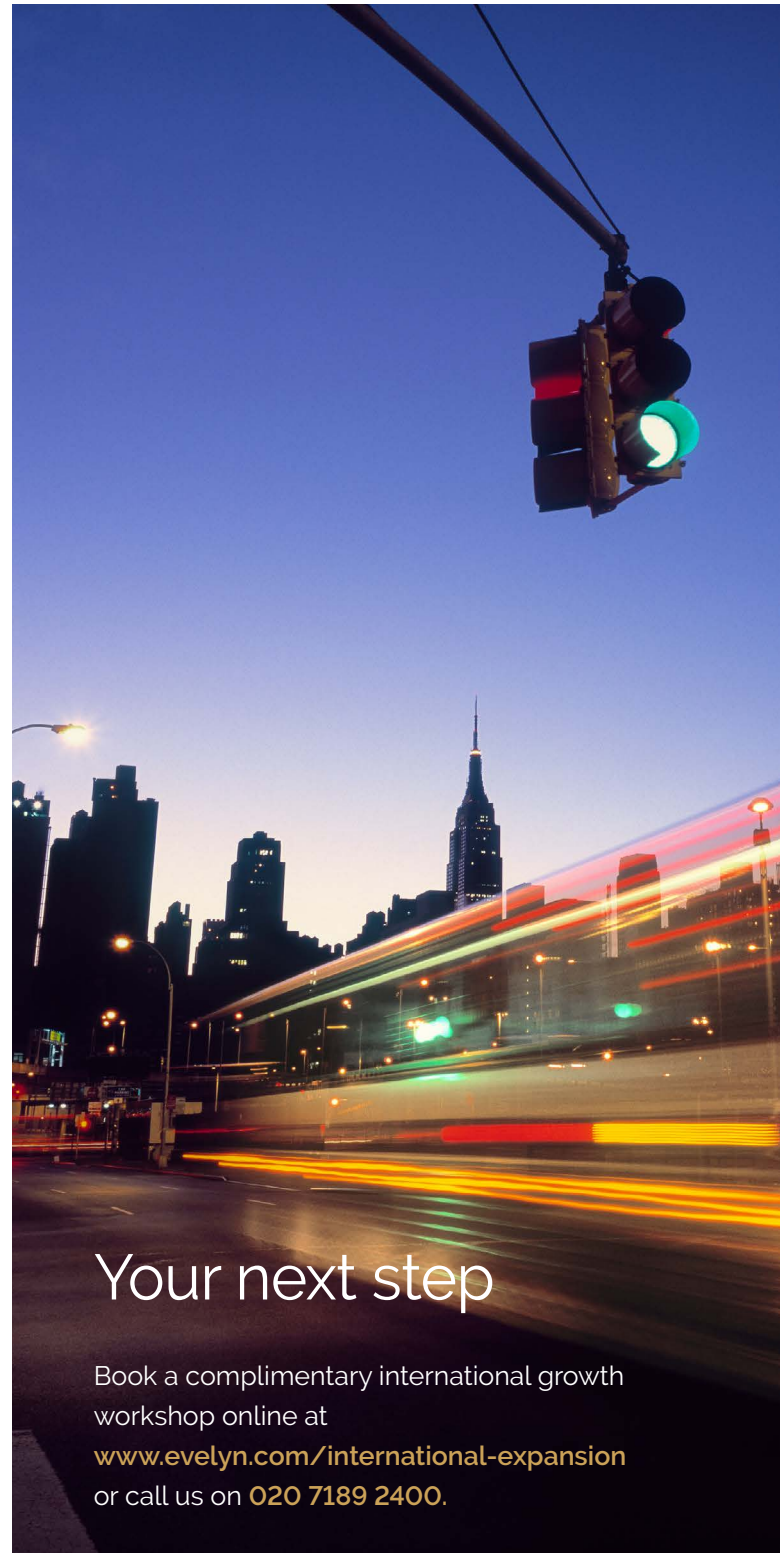
A large percentage of businesses want to expand into the US market. But making a success of this venture is not always an easy task. It requires an in-depth knowledge of both UK and US laws, taxations and regulations.

In this guide, discover:

- Your checklist for taking your business to the US
- The importance of planning
- When you should set up a US entity
- Where you should establish your US operation
- International success stories

# Your checklist for taking your business to the US

- ✓ Incorporate/form a US entity
- ✓ Consider global mobility, including visa applications and US and UK tax considerations
- ✓ Obtain a US tax identification number (EIN)
- ✓ Complete state registrations. Generally, there are two types:
  - State registrations to do business, generally with the Secretary of State
  - State tax registrations, generally with the state's department of tax
- ✓ Obtain a US bank account
- ✓ Establish payroll. This may be with a PEO or similar
- ✓ Identify compliance requirements for federal, state and local tax and business reporting requirements
- ✓ Develop a global business model that considers:
  - Transfer pricing
  - Funding of US operations
- ✓ Draft intercompany contracts. Establish written contracts to support transfer pricing
- ✓ Obtain insurances, including:
  - Employee benefits
  - Product liability insurance
  - Life insurance
- ✓ Understand legal complexities surrounding US contract law and ensure sales contracts include those applicable sections
- ✓ Develop a global HR strategy. Consider if the company will align benefits and incentives internationally or separate hand books for each jurisdiction



## Your next step

Book a complimentary international growth workshop online at [www.evelyn.com/international-expansion](http://www.evelyn.com/international-expansion) or call us on 020 7189 2400.



# The importance of planning when expanding into the US

With its entrepreneurial culture, favourable economic environment, and government incentives, the US is an appealing market to UK businesses looking to grow. But making this move profitable may not be as easy as it seems.

## Potential challenges to international growth

The US Government structure is layered and complex. With laws and regulations that cross the Federal Government, 50 state Governments, cities, and counties, statutes are nuanced and may differ depending on where you establish your US presence. Sales tax jurisdictions, a system of financial regulation that creates a web of requirements and compliance needs, add to this complexity.

Having a plan and experienced advisers is critical to the success of your new venture. Considerable thought should be given to when, where, and how you should focus your efforts.

# When should you set up a US entity?

How you establish and run your US operation will depend on the model of your business.

## Online or physical presence

Setting up a US entity may not be necessary if you only plan to sell goods online or via wholesaling to US companies.

On the contrary, if you plan to have a physical presence in the US, it is recommended that you set up a US entity.

When deciding whether this course of action is necessary, it's important to consider the advice of your parent company tax advisers and US advisers. In some cases, there may be other tax, liability, or commercial reasons to form a US entity.

## Examples that constitute a physical presence in the US market include:

- Leasing an office
- Owning inventory, including the use of fulfilment services
- Hiring workers



3<sup>RD</sup> EAST ST  
MAIN ST



# Where should you establish your US operation?

The state you choose to work from can impact your tax and incorporation requirements. You should select your site with careful thought and early in the expansion process, and consider certain factors such as:

- Customers/users
- Talent
- The cost of operations, as this may vary based on geographic location
- Proximity to C-Suite/management.  
The East coast could be a more convenient location for UK headquartered firms
- The location of key travel hubs, including New York, Boston, San Francisco, Los Angeles, Chicago, and Atlanta
- Investors
- Future transactions, as you may need to think about the proximity to potential acquirers, or to other targets if growth is to be achieved by acquisition
- Government incentives. For example, if you plan to build a manufacturing plant, many states offer great incentive packages

## Post location selection considerations

Once you've decided on a location, there are additional decisions to make, including:

- Will you purchase or lease US property?
- Are you planning to construct or upfit any warehouse, manufacturing or office spaces?
- Have you considered any real estate and environmental matters, such as compliance with federal and state environmental laws?

# International success stories

See how our fluency in international expansion helped these companies realise their growth ambitions.

## A global research agency

Having achieved initial success in the UK, a global healthcare market research agency wanted to obtain rapid growth in the US, as well as continued UK growth. Their existing structure is a UK parent company with a US subsidiary.

They wanted to expand while ensuring operational efficiency and tax optimisation across the group in both jurisdictions.

They felt they had outgrown their existing advisers. A more proactive approach was needed along with greater experience in complex tax planning and advice, (including transfer pricing and setting up share schemes), as well as international growth.

### How we helped

During a workshop, we discussed the business journey to date and ambitions for the future.

It was considered how our specialist UK and US-equivalent services including VAT returns, statutory accounts and personal tax planning could support their forward-looking business strategy.

Initial 'health check' workshops were later held with members of specialist teams at Evelyn Partners and CLA Global to identify the business's priorities and workstreams. Then, follow-up advice was provided in relation to establishing a share scheme (including UK and US issues) and personal tax advice was given to founders and directors.

We provide the business with end-to-end support for both their UK and US arms. By guiding and assisting them with both their UK and US tax affairs, we help them to navigate cross-border complexities and potential compliance issues, building long-term, international value.

## A UK tech company

A fast-growth tech company founder wanted to sell their business to a US organisation. The founder's personal tax position was complicated due to multiple residency and planning considerations.

### How we helped

The founder was keen to use one trusted adviser. Our ability to look after their business needs as well as their personal tax position and ongoing wealth management was conveyed.

We showed how we deliver international services to the business through one global team.

As a founding member of CLA Global, we have local market knowledge and a global presence. Ultimately, this enables us to provide the support and advice required in all jurisdictions relevant to the business.

We were appointed to assist with the sale of the UK business. This included providing help and support with sell-side due diligence, global transfer pricing/benchmarking assistance, and on-going structuring advice. In addition, statutory audit, accounts preparation, and tax compliance services were also provided.

To support their US expansion, we aided with sell-side assistance, acting as their UK representative. This involved partnering with international counterparts to ensure the service received was personal and high quality.

As we are an integrated wealth management and professional services firm, we now look after the founder's personal financial planning needs as well as those of his company. Our 360° approach to advice means that we can help in all areas.

By working together as one team for the benefit of the founder and the business, we are able to ensure that advice given in one area does not inadvertently impact on another.





# Speak to Evelyn Partners about translating your UK growth into the US

We support fast-growing businesses as they move into overseas territories. Being a founding member of CLA Global, we have extensive experience of working with businesses as they move into the US market and fully appreciate the complexities involved.

Our team comprises specialist advisers with the capabilities and experience required to deliver the advice and financial support business owners need. Our partner-led service fully supports and enables international business strategies.

Whatever your US growth aspirations, we're here to help. Get in touch and we'll discuss your business and future plans and explain how our specialist teams, along with CLA Global, can help you achieve your international expansion goals.

## Book a complimentary workshop with our experts

Working with a team of experts who understand the complexities and challenges of US business expansion is key to achieving your strategic and commercial objectives. During an international growth workshop, we will:

- Take the time to understand your commercial and strategic objectives
- Set out a clear path to help you achieve your international growth plans
- Discuss and optimise your tax position

Call us now on **020 7189 2400** or visit [www.evelyn.com/international-expansion](http://www.evelyn.com/international-expansion) to book your workshop.





[www.evelyn.com](http://www.evelyn.com)

Evelyn Partners LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.

Financial services may be provided by other companies in Evelyn Partners Group Limited, further details of which are available at: [www.evelyn.com/legal-compliance-regulatory/registered-details](http://www.evelyn.com/legal-compliance-regulatory/registered-details).

45 Gresham Street, London EC2V 7BG.  
© Evelyn Partners Group Limited 2023.

Evelyn Partners LLP is an independent network member of CLA Global Limited.

**CLA Global**

INDEPENDENT NETWORK MEMBER