

Company Setup in the US

By Non-US Resident Indian
Nationals

Launch and run your ambition as a US startup

For US business expansion, setting up a US Company is the foundation step

Advantages of establishing a US company

- Builds Trust among US buyers
- Charge premium for services & products
- No impact on currency fluctuation
- Access to US Government programs including:
 - Working capital
 - Angel match
 - Incubator/Accelerator workspace
- Raising venture capital
- Profits generated can be invested further
- Hassle-free custom cleared products
- Easy 3PL warehousing
- LIA work visa

Key to solid foundation

- » Define clear Business Goals
- » Select the appropriate State of Incorporation
- » Establish the optimal Company Structure
- » Determine the ideal Ownership Structure

Starting your US Company

New Jersey
(Home Town)
+
49 states

Establish your business
nexus in a State and we will
register your company in
that State

State Registration

- Certificate of Formation (LLC) or Certificate of Incorporation (C Corp)
- 50 States; 1 to 7 Days

Federal Tax ID - EIN

- 4 to 5 weeks for foreign entities
- 1 day with SSN

Registered Agent & Business Address

- Virtual address
- Physical office space

Business Governing Documents

- Bylaws (C Corp), Operating Agreement (LLC)
- Resolution and Minutes of the Meeting for Bank Account

Allotment of Shares

- Common Stock Certificate (C-Corp)
- Membership Interest Certificate (LLC)

Compliance

- Annual Tax Returns and Report
- Sales, Payroll and Franchise Tax
- Beneficial Ownership Info (BOI) Reporting

Details required to form a US company



For the Business

- Company name
- Structure: C-Corp or LLC
- Registered Agent
- Business Address



For the Owners

- % ownership of each individual or company
- Full legal Name and address of all the owners
- Signing Authority



Identifications of the Owners

- Individuals
For foreign nationals: Passport copy
For US residents: SSN & driver's license
- Company: formation documents

Getting you started

EntryUSA Coverage

Launch

- | | |
|---|---|
| Company Registration – LLC or C Corp | ✓ |
| Federal Tax ID – EIN (Employer Identification Number) | ✓ |
| Registered Agent | ✓ |
| Business address | ✓ |
| Virtual or Office Space | |
| Beneficial Ownership Information (BOI) Reporting | ✓ |
| Templates - Operating Agreement, Bylaws | ✓ |
| Share Certificate (C Corp) | ✓ |
| Membership Unit Certificate (LLC) | ✓ |
| Support with opening a Bank account (subject to KYC) | ✓ |

Operations

- | | |
|--|---|
| Annual Tax Filings for Business & Individual | ✓ |
| Annual Report, Franchise Tax (State dependent) | ✓ |
| Form 1099-NEC/MISC | ✓ |
| Sales Tax & Payroll Tax | ✓ |
| Payroll Services | ✓ |
| Accounting & Bookkeeping | ✓ |
| Transfer Pricing Report | ✓ |
| Financial Statement preparation & Attestation | ✓ |
| Virtual CFO Services | ✓ |
| Audit and Review | ✓ |

Add-on support

- | | |
|--|---|
| ITIIN (Individual Tax Identification Number) | ✓ |
| Business Insurances: general liability, product liability, professional liability, directors and officers and more | ✓ |
| Phone Line Setup | ✓ |

Calling New Jersey your Business-Home

A snapshot indicating NJ as the most strategic state to kickstart your business operations in the US



Strategic Location

- A business located in central NJ can serve more than 38 million consumers within a two-hour drive.
- \$3.75 trillion in economic output between Boston – NJ - and Washington DC corridor.
- 5 foreign trade zones
- Port Authority of NY NJ is 2nd busiest in North America, the largest maritime center on the East Coast, #1 port for imports
- Liberty International Airport at Newark in NJ has non-stop flights to Delhi and Mumbai.



India Relation

- New Jersey is India's 4th largest trading partner for imports and exports.
- India has invested \$2 billion dollars into New Jersey, in the last 2 decades.
- Second largest Indian-born population in the United States.
- 10 of the top 14 Indian pharma companies have offices in NJ.
- Edison and Iselin in NJ are the largest Indian business hubs in the US.



Education & Workforce

- NJ has the #1 public school system and the #1 university in the U.S. (Princeton University).
- The highest concentration of scientists and engineers in the U.S.



FREQUENTLY ASKED QUESTIONS

Do I, as an Indian national residing in India, require a resident US individual with a social security (SS) number to open a company in the US?

No. You can easily open a company in the US without having a US resident with an SS number.

Is a minimum share capital required to open a company in the US?

While there is no minimum share capital required to open a company in the US, some business structures, like corporations, may issue shares with a nominal value or without par value.

Which company structure is better to adopt in the US?

C Corp and a Limited Liability Company (LLC) are the only 2 structures available. (See image at the end of this page.)

Which is the most favorable US state to open a US company?

Wise note: If there was a single best state to form your company, then all the companies would be registered there.

Each US state offers distinct advantages and tax laws. When deciding on the best state for company incorporation, it's crucial to factor in "nexus", which includes considerations like partner affiliations, office locations, warehouses, presence of employees, or generating substantial revenue.

What is the federal and state income tax rate in the US?

C corporations in the US face a uniform federal income tax rate of 21%. State corporate tax rates differ, ranging from 0% to over 11%. LLCs, usually taxed as pass-through entities, bypass entity-level federal income tax, with profits reported on owners' individual returns.

How can my company protect its intellectual property (IP) rights in the US market?

To protect IP in the US, companies can utilize methods like obtaining patents, registering trademarks and copyrights, drafting NDAs, conducting IP audits, monitoring for infringement, and enforcing rights through legal channels when needed.

Can I open a bank account of my US company held 100% by foreign entity?

Yes. Though not all banks would allow but a few including neobanks would allow you - a non-US resident Indian national having a US company - remotely open a bank account in the US. Some of the banks that allow a foreigner without a SSN to open a business bank account, would require a face-to-face meeting at the bank location. Of course, banks would conduct KYC before approving the account opening.

Can I do business in all the states while having opened a company in a single state like New Jersey?

Yes, being registered in New Jersey (NJ) allows you to conduct business in other states as well. Yet, extensive business operations in other states might necessitate registering as a foreign entity in those states to comply with their legal requirements. This is known as establishing "nexus" in a state.

Opening a company in a State that does not have any Corporate income tax means that my company won't pay any income tax. Is this statement true?

Not necessarily. While opening a company in a state without corporate income tax means the company won't pay income tax to that state, in case your company is generating revenue in a different state, you may be subject to corporate income tax in that state depending on its activities and nexus with those states.

What are the regulatory requirements including tax and reporting for business operations in the US?

Running a business in the US involves various reporting duties, including submitting annual reports to the state of registration and filing federal and state taxes, sales tax, and payroll taxes. Additionally, businesses must comply with industry-specific regulatory requirements, which entail obtaining necessary licenses and permits, protecting intellectual property rights, and ensuring compliance with data privacy regulations like GDPR or CCPA.

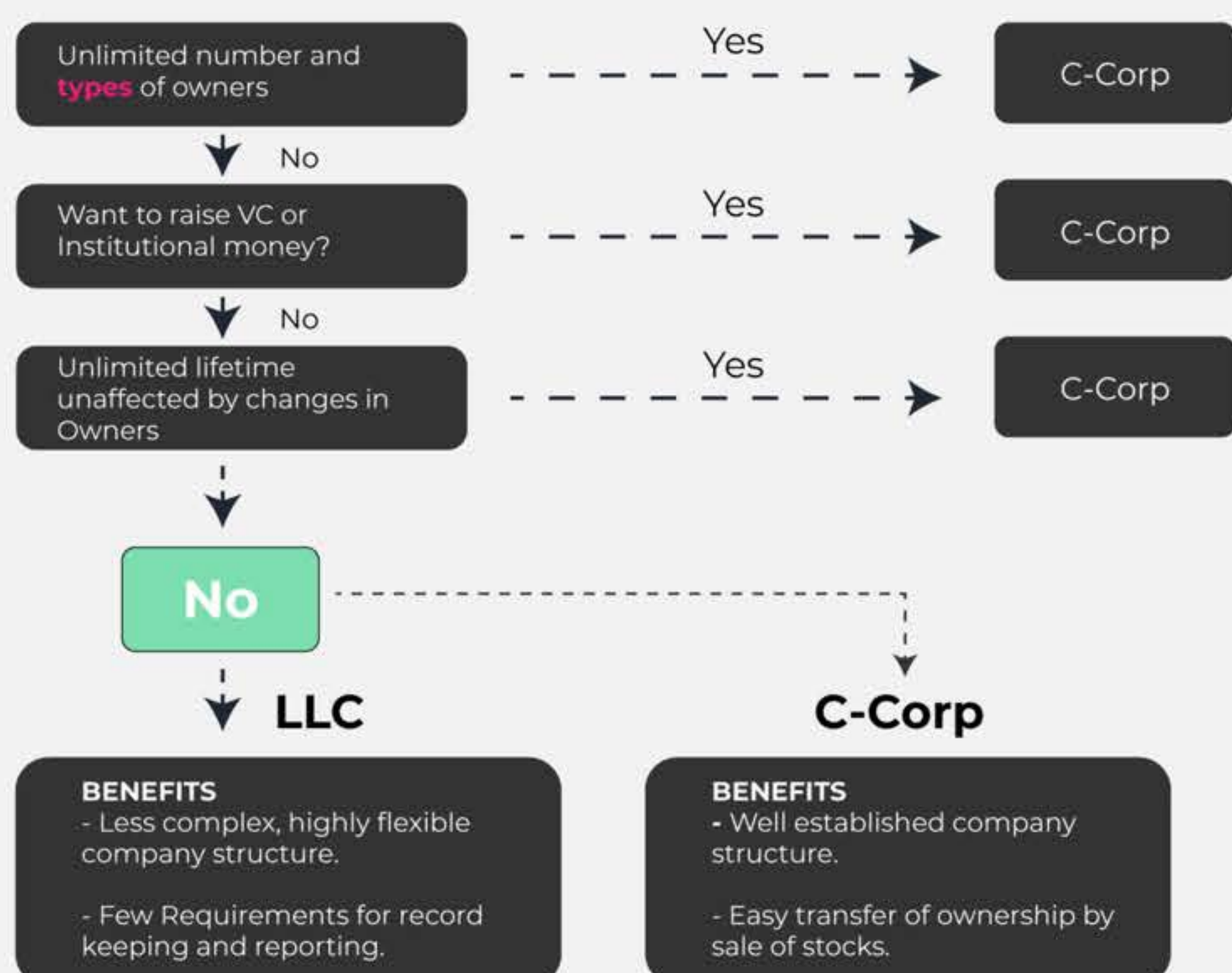
What are the employment laws and regulations for hiring employees in the US?

US employment laws cover non-discrimination, minimum wage, overtime pay, work authorization, workplace safety, family and medical leave, employee classification, contracts, benefits, and termination procedures. Employers must comply with federal, state, and local laws to ensure fair treatment and a safe working environment for employees.

Are there any limitations on repatriating profits from a US business to India?

Yes, the US imposes withholding tax on certain types of income, such as dividends and interest, when paid to foreign entities like Indian residents.

LLC VS. C-CORP



Types: Individuals, Companies, Institutions



Both structures offer liability protection and allow members or partners to limit their responsibilities to the company's debts.

LLC

- ✓ Offers limited liability protection to the owners managed by membership agreement between owners
- ✓ Less complex company structure
- ✓ Fewer, simpler requirements for record keeping
- ✓ It can be taxed as a pass-through or c-corporation
- ✓ It can be changed to a C-Corp in a later date
- ✗ Making changes to the membership agreement is difficult as it requires consensus of members
- ✗ Not preferred by Investors (VC, angel, institutions)
- ✗ Heavily impacted by ownership changes

C-CORP

- ✓ Offers limited liability protection to the owner managed by a board, officers, employees and shareholder agreement
- ✓ Easy transfer of ownership by sale of stocks
- ✓ Preferred by investors (VC, angel, institutions) and so easy to raise capital
- ✓ It can have an unlimited number of shareholders
- ✓ Unlimited lifetime even when the owner leaves or dies
- ✓ It has more credibility
- ✗ C-Corps must follow strict corporate formalities, such as holding shareholder and board meetings, keeping minutes, and following governance rules.
- ✗ The costs of maintaining a C-Corp, including regulatory filings, audits, and compliance, can be high and add a financial burden.



Company Setup in the US

Single Point of Entry & Expansion in the US

We are a unique One-Key solution platform that offers founders of foreign companies peace of mind when they look at growing their business cross-border into the US. Our mission is to make it easy for foreign companies to establish and expand their business in the US. From company formation in the US to warehousing with pick-pack-ship, L1A work visas, sales facilitation, customs, and transportation, we do it all with just 1-call. We are an established, well-connected, on-the-ground company based in New Jersey, USA, and New Delhi, India.

