



## SUPPORTING YOUR INTERNATIONAL EXPANSION

**What to consider when expanding your business internationally.**



### OPERATIONAL

Choice of entity e.g. third 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 vs. in-house services	
Local business methods, expectations, potential for corruption	

### FINANCIAL

Banking arrangements (including accounts and signature authority)	
Foreign exchange controls	
Profit sharing, reinvestment requirements	
Insurance	
Capitalisation – debt or equity, internal or external	
Pricing	
Investment incentives	
Mandatory legal reserve	

### ACCOUNTING

Statutory requirements for bookkeeping and audit of financial statements	
Year end	
Appointment of auditor and scope of work	
Generally accepted accounting principles and use of International Financial Reporting Standards	

### LEGAL

Legal system, applicable law (local and national), competition law	
Limitations on foreign ownership of companies and property	
Selection of foreign lawyer	
Types of legal entity (company, partnership, etc)	
Corporate governance	

There are some common factors you should consider when developing international plans.



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Incorporation documents (statutory requirements, translations, registration, notarisation, apostille)	
Acquisition or Greenfield investment	
Board of directors (including size, meeting frequency, responsibility, non-executive directors)	
Liability (including non-contractual, board, management for civil and criminal liability)	
Permits, business licences	
Contracts with suppliers, transport, agents, leases	
Invoicing (statutory forms, VAT, pre-printed and numbered, etc)	
Registration of products, patents, trademarks, copyrights and trade names	
Protection of unregistered intellectual property	

### EMPLOYMENT

Wage levels and working hour rules	
Employment contracts and unions	
Hiring and firing requirements (including notice periods)	
Holidays and leave (including maternity/paternity)	
Employer responsibilities	
Benefits (including bonuses, profit sharing, pensions, meals, transport, local or industry norms)	
Employee liability insurance	
Payroll reporting requirements	
Visa requirements, limits	
Outsourcing, temporary workers and subcontractors	

### TRADE AND CUSTOMS

Classification and valuation of goods	
Customs duties	
Import and export procedures, licences, restrictions and incentives	
Other issues e.g. labelling requirements	
Timing for customs clearance and delivery	
Customs agent or broker	
Applicable bilateral and multilateral trade agreements or treaties	

### TAX

Tax incentives	
Tax ID number, registration requirements	
Planning for accumulation and distribution of earnings	
Applicable taxes and rates (income, capital gains, VAT, sales, social security, withholding, stamp, etc)	
Tax year and timing of payments	
Filing and record-keeping requirements	
Transfer pricing for products, technology, services, financing	
Anti-tax haven rules, restrictions on transactions with low-tax jurisdictions	
Planning for expatriate employees	

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