

YOUR PASSPORT TO GLOBAL EXPANSION

A Legal Compliance Checklist

While going global offers many benefits, failing to remain legally compliant can trigger a cascade of serious consequences for businesses, including reputational harm, financial sanctions, and administrative dissolution. Going global is a significant undertaking that should not be rushed, and planning should begin at least 12 months before establishing a physical presence. When it comes to global operations one size will never fit all, but there are key legal compliance challenges companies face when entering global markets.

Corporate Governance Requirements

Research the jurisdictional requirements for corporate governance, such as

- › Maintaining a local corporate presence
- › Meeting director and local agent requirements for new entities
- › Advising the board, committees and senior management about all corporate governance matters
- › Providing secure access to corporate records (Article of Incorporation, stock certificates, bylaws, meeting minutes)
- › Determining whether jurisdictional rules require local shareholder meetings

Understanding Regulatory Issues

Take the time to identify license, tax and permit requirements for each country and locale

- › Discovering whether any specialized licenses are necessary
- › Understanding local labor laws and norms
- › Complying with different employee data protection standards
- › Implementing policies and procedures for employee onboarding, management and termination.
- › Determining if export and import licenses are needed
- › Researching local regulatory requirements and turnaround times
- › Abiding by local anti-bribery and corruption rules, and complying with the U.S. Foreign Corrupt Practices Act

Due Diligence Searches

Understand and anticipate the impact of

- › Integrating new entities from acquisitions
- › Dealing with foreign debtors and filings
- › Following local business culture, laws and regulations
- › Varying contractual nomenclature and extended turnaround times
- › Dealing with country-specific languages, time zones and currencies

Ensuring Legal Compliance

Create vigorous legal processes to mitigate commercial risk

- › Knowing legal requirements differ between countries
- › Following strict documentation standards
- › Taking active measures to ensure compliance
- › Considering ESG (environmental, social and governance) integrations

Entity Compliance

When creating a new entity, be mindful of

- › Securing proper registration within the jurisdiction
- › Complying with local laws and regulations
- › Submitting the jurisdictional equivalent of standard U.S. annual reports and other filings
- › Registering for VAT and filing annual financial statements or corporate income tax returns
- › Understanding unique tax compliance requirements for each entity type

Registered Agents

Consider the role of a Registered Agent (or its equivalent) for

- › Responding to local legal documents (service of process, summonses, writs)
- › Dealing with tax and compliance issues to ensure timely and accurate receipt and exchange of information

Learn how CT can help you better manage your global compliance needs. Contact a representative at **855.444.5358** (toll-free USA) or visit **ctcorporation.com**.